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21 June 1982

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BURMA'S ENERGY PROBLEM EXAMINED

Bangkok BANGKOK POST in English 4 Apr 82 p 8

[Text]

THREE years ago, Burma, long seen as the economic "sick man of Asia," looked set to achieve a position that most developing nations can only envy — becoming a net exporter of both food and energy.

That was three years ago. Today, the mood in Rangoon is notably less euphoric: The country finds itself facing an energy gap that last year diplomats were labelling a "mini-crisis." Now it is not so "mini." It threatens, in fact, to become a major obstacle to the sort of sustained growth economic planners have all but come to expect.

But despite the pre-occupation with boosting energy output, indications are that things are likely to be getting worse before they start getting better.

Ironically, the impact of the crisis on the socialist state of 34 million has been all the more bruising for successes achieved in terms of overall growth. Petroleum production has simply failed to keep pace with a suddenly dynamic and rapidly expanding economy.

Nor for ideological as well as financial reasons do observers in Rangoon see much indication of a preparedness to revert to importing energy.

The dimensions of the dilemma are stark. First the bright side: Growth in the Gross Domestic Product (GDP) over recent years has averaged around six per cent. In the last financial year of 1980-1981 it rose to a striking 8.3 per cent — a dramatic turn-around from the hardly less staggering statistic of a minus one per cent growth rate in 1971.

This year the Government has set a modest enough target of 5.6 per cent. But diplomatic analysts are forecasting something closer to seven per cent.

Massive

Recovery in the once notoriously stagnant economy has been fuelled by massive injections of concessional loan aid along with direct grant aid. But more important has been an improvement in agricultural performance spearheaded by a spectacularly successful high yield variety rice scheme that has pushed up both production and exports markedly. Per hectare paddy yield that in 1977 was just over 81 baskets had risen by last year to 129 baskets.

Overall, the agricultural sector recorded an unprecedented 14.6 per cent growth rate last year.

Other key fuel-dependent sectors have also been on the move in a big way: With manufacturing growing last year at over 11 per cent and transport and communications at nearly nine per cent.

So far, so good. Until petroleum crude production has been rising — deceptively so. In 1975 when Burma stopped importing, domestic output stood at 6.5 million barrels. By 1979 it was around the 10 million mark and Rangoon began looking around at the export market. A contract to export one million barrels of crude to Japan was drawn up.

But if production was rising it was not rising fast enough. Then worse still, it actually dropped. According to official figures production in 1980-1981 fell from the record high of nearly 11 million barrels the year before by five per cent. Foreign analysts, though, believe actual output could have been as much as 10 per cent less than the official annual figure of 10.35 million barrels.

Ironically, the drop appears to have resulted from the optimism generated by earlier success. In an attempt to boost production still further the country's key oilfield at Mann was "overpunctured" leading to a drop in pressure.

Flagging output has not only meant a failure to meet export contracts to the full. Severe shortages on the domestic market have also resulted, affecting production of all three main refined products — gasoline, kerosene and, most disruptively, industrial diesel oil.

The government response has been urban rationing and a concentration on diesel and gasoline production to the virtual exclusion of kerosene. Whereas in 1974 kerosene accounted for one third of all fuel refined, by 1980 it had shrunk to seven per cent. Today, production has all but ceased.

Cooking

That may have made good economic sense. But in a country where urban households are traditionally reliant on kerosene for cooking, it has exacted a political cost. "We simply can't find any (kerosene) in Rangoon today," said one householder. The switch to charcoal as an alternative has meant an inconvenience that has done nothing to enhance confidence in the Government's capacity to manage the economy.

But grumbling and gas station queues aside, it is the diesel shortage that has had the most damaging impact on the economy as a whole. Work on many key infrastructural projects has slowed or halted altogether.

According to diplomatic sources, the huge Sedawgyi multipurpose dam and irrigation project near Mandalay has been working at only 45 per cent capacity for the last 18 months. Operations on an Asian Development Bank (ADB) funded sugar project near Pyinmana have been cut back. In eastern Kayah State bordering Thailand work on an Australian backed integrated agricultural project reportedly stopped three months ago.

Agricultural production and hence crucial export earnings have suffered too. One unusually revealing article published in the official Press last year goes some way to underline the scope of the problem: The article quoted an Agricultural Corporation manager in Yesagb township of central Magwe Division as saying that given an adequate supply of fuel for irrigation pumps, the 1,000 acres of sesame under irrigation in the area could have been easily tripled.

How petroleum production is likely to fare in the current 1981-82 financial year is as yet unclear. Significantly, the government-issued "Selected Monthly Economic Indicators" has ceased publishing petroleum production statistics — a fairly good indicator that all is not as well as it might be. Sources close to the state-owned Myanma Oil Corporation (MOC) say the official target is around 14 million barrels, a figure that foreign analysts view with considerable scepticism.

To fulfil such a target would require a daily output of around 38,000 barrels. Actual production, according to informed estimates, is probably little more than 22,000 barrels. Both figures fall far short of Burma's recently expanded refining capacity of 87,000 barrels per day.

New onshore finds announced with much fanfare — and an eye on reviving foreign interest — are largely responsible for optimism in official circles. Of the three new fields — Pagan in the north, Htantabin in the northern Irrawaddy Delta and Kyontani also in the Delta — Pagan and Kyontani were hailed as "falling in the category of the giant oil fields of the world." Between them, it was claimed, the fields held reserves of over 1.5 billion barrels — almost twice Burma's recoverable reserves at that time — 738 million barrels.

Impressive

Performance as opposed to claim has so far been less impressive, however. At Pagan, the viscosity of the crude was discovered to be too thick — "like sludge" as one observer described it. At Kyontani well-head mismanagement aborted the first test-drill — no real evidence of oil beyond seismic data has yet emerged. Of the three, only Htantabin is producing, at an estimated rate of between 1,000 and 1,500 barrels per day.

Further onshore exploration continues apace, particularly in the Delta. But it is largely on offshore potential that hopes are being concentrated.

In February this year agreement was reached between Rangoon and a Japanese consortium that is to put up \$16.8m for drilling in the Gulf of Martaban. The block, situated about 100 miles offshore is in terms of seismic forecasting at least — a promising one. Significantly it was not offered to foreign companies that prospected — with a conspicuous lack of success —

in Burmese waters between 1976 and 1978.

But even granted offshore finds in commercial quantities, bridging the energy gap is unlikely to take place overnight. For one thing, MOC lacks the sort of technical expertise necessary for a major offshore venture. Foreign assistance will be necessary. In addition, finding drilling rigs could mean delays. No Japanese rigs are currently available and Rangoon appears reluctant, say informed sources, to turn to the Americans.

Under optimum conditions it looks unlikely, then, that oil will be on the line for at least another year. In terms of overall impact on the energy situation, the Gulf of Martaban remains essentially what one analyst describes as a "medium term hopeful — that means we're looking at around five years from now."

Meantime, short of some major on-shore developments or an uncharacteristic turn-about on import policy, it looks as if the energy gap will continue to put an unwelcome but unavoidable break on Burma's dramatic economic acceleration.

CSO: 4220/44

FUTURE OF MALAYSIAN CHINESE WEIGHED

Kuala Lumpur SIN CHEW JIT POH MALAYSIA in Chinese 6 May 82 p 23

[Commentary by Zhao Chen [2507 2052]: "The Future of Malaysian Chinese As I See It"]

[Text] In the past few years, the Chinese community in our country has been confronted with all sorts of pressure arising from government policies and subjected to various administrative harassments. Yet, we cannot deny that we are ourselves for the most part to blame for these deviations. The reason is that there is no way for the Chinese community itself to be united, which has resulted in the gradual erosion of our due rights provided in our Constitution. Furthermore, there is the human factor which has brought about the prevailing situation.

Is there a necessity for us to examine the capabilities of our Chinese leadership level? With the Chinese society in total disintegration, who after all are the true leaders? First of all, let us see the performance of those government officials who claim themselves to be leaders of the Chinese people. All government policies must, first of all, be approved by the Cabinet before they are passed along to Parliament for debate and eventual adoption. However, if a Cabinet member casts a dissenting vote against a draft policy, it cannot get through and becomes null and void. If we simply review how many government policies detrimental to the Chinese society have been adopted in recent years, we can see through the performance of those so-called Chinese civil leaders!

The dissatisfaction of the Chinese community over various government policies can be gleaned from the way the Chinese voters cast their ballots in the recent general election. In general, they voted for opposition parties, although they fully realized that opposition parties could not do anything for them, either. But at least they could vent their pent-up feelings of frustration and discontent! Through this moral, the Chinese voters hoped that they could awaken those Chinese leaders in senior government level to make a self-examination and actively fight for the interests of the Chinese as guaranteed in the Constitution. Otherwise, these leaders will again be spat at in contempt by the Chinese community in the next general election!

There is no doubt that education is the problem over which the Chinese people show the most concern, especially its existence and development. At the same time, it is also the most sensitive problem in our country. But we cannot afford to ignore this problem simply because it is a sensitive one. We must dare to

face it, and even to fight for it! If we lose our mother tongue education, we would indirectly lose our culture and, by extension, our "roots." If a nationality lost its "roots," we would be nothing but walking corpses.

Another difficult problem faced by the Chinese community involves the economy. The promulgation of the New Economic Policy was meant to improve the economic position of the bumiputras and to provide them with a guarantee to the effect that they will hold 30 percent of the nation's economy by 1990. However, in this connection, the Chinese society has the feeling of being exploited. It is incumbent on the government to guarantee that under this New Economic Policy all nationalities shall fairly share the economic pie of national development in order to attain the goal of national unity!

The Chinese society should revise their erroneous outlook of the past. We must adopt a "we were born here and we will die here" attitude, and actively take part in politics, otherwise we cannot expect to have a bright future. Money cannot give us any protection, for in a great depression it is nothing but scraps of paper.

The future of the Chinese people in our country will still be decided by the attitude held by the Chinese themselves. We must all be united as one and together we must fight for the basic human rights stipulated in our Constitution, and it is our right to do so. Otherwise, the future of the Chinese in our country would be pessimistic!

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CSO: 4205/2

PAKISTAN-IRAQ COOPERATION: WIDE SCOPE DISCUSSED

Karachi MORNING NEWS in English 22 May 82 p 1

[Text]

LAHORE May 21: The Iraqi Irrigation Minister Mr. Abdul Wahab Mahmood today said that the joint agreement signed by him and Finance Minister Ghulam Ishaq Khan at Islamabad yesterday had opened up avenues for bigger cooperation between Pakistan and Iraq.

He was talking to newsmen at Lahore airport on his arrival from Islamabad at the head of a nine-member delegation.

He was received by heads of various public construction companies and the officials of the Punjab Government.

He said that the agreement would step up the present level of bilateral commercial economic and technical cooperation to the mutual benefit of the people of the two brotherly countries.

In reply to a question the Iraqi Irrigation Minister said that nothing specific was

discussed at the talks. The discussions were held in a broader perspective. After his return home he said delegations in the field of trade and engineering would visit each other's countries from Pakistan and Iraq to their mutual benefit and information would be exchanged.

He said that during the talks both sides expressed their satisfaction over the level of cooperation since the establishment of the Joint Ministerial Commission in 1979.

During his stay in Islamabad he said he had also called on President Zia-ul-Haq and conveyed to him the good wishes from President Saddam Hussain for the people and the Government of Pakistan.

The Iraqi Minister said that the two sides also discussed the working of the Pakistani construction companies in Iraq. He

added that some of the technicians would visit Iraq while some Iraqi technicians would be sent from there for further training in Pakistan.

To another question he said that he was more than satisfied with the performance of the Pakistani companies working on irrigation and construction projects in Iraq. Pakistani workers were doing excellent job there and the Iraqi Government was taking good care of them he added.

He said that the excellent performance of the Pakistani companies had brightened their prospects to get more contracts in Iraq.

The members of the Iraqi delegation went for sight-seeing soon after their arrival in the Punjab metropolis. They visited Badshahi Mosque Lahore Fort and Shalimar Gardens.

PAKISTAN ASKS COSTA RICA, ZAIRE TO SEVER TIES WITH ISRAEL

Karachi DAWN in English 23 May 82 p 14

[Text]

ISLAMABAD, May 22: Pakistan on Saturday called upon Costa Rica to rescind its decision of shifting its Embassy in Israel from Tel Aviv to Jerusalem and also urged Zaire to abandon its decision to re-establish diplomatic ties with Israel.

A Foreign Office statement issued on Saturday said if the Costa Rican Government did not reverse its decision, the Pakistan Government would be forced to terminate its relations with Costa Rica in accordance with the relevant decisions of the Islamic Conference, as also a Security Council resolution.

About Zaire, the Pakistan Government hoped that the Government of that country would reconsider its decision with a view to rescinding it.

STATEMENT

The Government of Pakistan, the statement said, had noted with deep regret the decision of the Government of Costa Rica to transfer its Embassy in Israel to Jerusalem. This regrettable decision was in contravention of the Security Council resolution 478 (1980) and also ran counter to Article 23 of the Charter of the United Nations. It recalled that after the adoption of the Security Council resolution 478 Costa Rica, among other States, had decided not to transfer its Embassy from Jerusalem to Tel Aviv. That decision was warmly wel-

comed by the international community. The reversal of that decision at this stage for internal reasons was deplored by the Government of Pakistan.

Continuing, the statement said the Government of Pakistan had also noted with regret the information that the Government of Zaire had decided to re-establish relations with the State of Israel. This decision ran counter to the African sentiments and the solidarity of African countries with their Arab brethren. At this critical juncture in the history of the Middle East, when Israel was bent upon its expansionist policies and had refused to vacate Arab territories occupied by it in 1967, such a decision would encourage Israel to continue with its expansionist and hegemonistic designs, in violation of the basic tenets of the United Nations Charter and the Non-Aligned Movement upholding the sovereignty, territorial integrity and independence of States and the inadmissibility of acquisition of territory by use of force in international relations.

Later, a Foreign Office spokesman noted that the two calls by Pakistan had also been made in the light of the recent appeal by Islamic Conference Secretary-General, Habib Chatti, on the Costa Rican and Zaire decisions.

COUNTRY'S STAND ON AFGHANISTAN REAFFIRMED

Karachi DAWN in English 24 May 82 p 9

[Text]

It was the friendship pact with the Soviet Union which encouraged India to attack the former East Pakistan. The military help which the Soviet Union gave to India on this occasion is also no secret.

Despite these bitter memories Pakistan always desired to have good neighbourly and lasting relations with the Soviet Union. The complaint from Islamabad that these desires met with a severe setback due to Soviet interference in Afghanistan is correct.

The Soviet Ambassador in Pakistan put forth an interesting claim about Soviet intervention in Afghanistan. He said the intervention was in complete conformity with the UN Charter. The question is whether the three resolutions passed by the UN General Assembly against this intervention and to implement which the special representative of the UN Secretary-General is currently making preparations for talks between the parties concerned, are against the UN

charter. The Ambassador called for accepting the Karmal regime. In this respect, the whole Islamic world had decided unanimously in 1980 not to recognise the Kabul government.

The correct and the peaceful solution of the Afghan crisis lies in the withdrawal of Soviet forces from Afghanistan. The Afghan refugees should be allowed to return with honour and safety and the Afghan people given the freedom to choose a government of their liking.

Pakistan fully appreciates the Soviet desire that the pull-back of its forces should not be followed by the formation of an anti-Soviet government in Afghanistan. But a decision to this effect can only be made by the Afghan people themselves. Any guarantees required in this respect can also only be given by the Afghan people alone. However, Pakistan would stand by all legitimate responsibilities it may be asked to fulfil in this regard.

—News-e-waq, Karachi, May 29

CSO: 4220/33

UNITED STATES AID REPORTED TO BE IN JEOPARDY

Karachi DAWN in English 28 May 82 pp 1, 20

[Text]

WASHINGTON, May 27: Increased economic assistance to Pakistan, committed by the United States under the 3.2 billion six-year aid package, is in serious jeopardy but by no means doomed, well-informed sources said here on Thursday.

The Jewish lobby struck two blows on Thursday to get back at Pakistan, cables our special correspondent Ghani Erabi.

Senator Cranston proposed that the 125 million dollars increase in the economic aid to Israel be made up by deducting at least 75 million dollars from the 175 million dollars economic support funds earmarked for Pakistan during fiscal 1983, and Senator Glenn circulated an amendment suggesting that last year's waiver lifting the embargo on the aid to Pakistan be cancelled if Islamabad "engages in the reprocessing of spent nuclear fuel" at the Chashma reprocessing facility.

Despite a strong well-argued plea by Senator Charles Percy, Chairman of the Senate Foreign Relations Committee that Israel was already receiving over two and a half billion dollars in economic and military this year and the Administration and the Congress should give themselves 180 days to help solve Israel's debt servicing problem, the Committee decided by nine votes to seven to include 125 million dollars for Israel in the 1983 budget.

During a discussion on the question where to find the extra fund, Sen Cranston suggested that either the entire amount be taken out of Pakistan's total allocation of 532 million dollars due Pakistan by way of military sales guarantees and economic support and PL 480 funds or 15 million be deducted from the proposed allocation for Pakistan

and the balance from the money earmarked for El Salvador.

He urged that as between Pakistan and Israel decision should be in favour of the Jewish state as it was more democratic and had a better human rights record. He held that Pakistan was showing no signs of moving towards democracy and was also planning to explode a nuclear bomb—as such a request in her aid might be a good signal to send to Islamabad.

TWO-PRONGED ATTACK

Offering evidence of a concerted drive against Pakistan, Sen Glenn joined the assault on a cue from Cranston, alleging that Pakistan's reprocessing plant was about to "go hot" and as Pakistan did not need reprocessed material for power-production it could only be planning to use it for nuclear explosion. He claimed that since the embargo was lifted some five months ago, there had been no change in Pakistan's nuclear policy and the administration belief that it would get a leverage through releasing aid had not been justified. Therefore he wanted to move an amendment that the ban on aid to Pakistan be resumed as soon as its reprocessing plant got hot.

Both Sen Glenn and Sen Cranston have made flagrant departures from their positions of five months ago. At that time, Glenn, while strongly supporting resumption of economic and military aid to Pakistan, sought to restrict termination of aid to only one contingency — actual explosion of a nuclear device. Now he wants to extend it even to reprocessing device. Similarly, Sen Cranston, while opposing release of V F-16's to Pakistan, formally introduced a resolution urging generous economic assistance

tests to Pakistan. Now he is seeking to slash it.

Chairman Percy persuaded Sen Glenn to give the Administration an opportunity to place all the facts before them before acting on such a drastic proposal and promised him that he will get him an opportunity to present his point of view from the floor of the Senate. Sen Cranston agreed with the view of several Senators that traditionally the Senate Foreign Relations Committee had spelled out the allocations of only Israel and Egypt, Turkey and Greece and left the distribution of the rest of the foreign aid to the discretion of the State Department. The Committee embodies its recommendations about the other allocations in its report but they are not binding.

However, the Committee could cut back the total available funds so drastically that the State Department's discretion in the disbursement would be purely of an academic interest.

PERCY'S WARNING

The actual consideration of the various allocations for Pakistan is likely to be taken up by the Senate Committee on Friday.

Sen. Charles Percy today rebuked the Committee members on their apparent bid to "renege" on the commitments made to Pakistan barely five months ago. Rejecting the charge that Islamabad was getting too big a jump from 100 million dollars in fiscal 1982 to 200 million or so

in economy assistance or 550 million for all purposes, he reminded them of a Senate-House conference last year at which this sharp increase was decided upon. He also reminded them of the millions of Afghan refugees that Islamabad was taking care of.

Chairman Percy warned them that any breach of commitment with Pakistan would create a real crisis of confidence with all America's friends and allies.

He was backed in his warning by a State Department official who told the Committee that the Administration had a six-year commitment of aid to Pakistan with the full knowledge and backing of the Congress at no time was it envisaged as a single shot—one-year operation. It would be sending a signal of unreliability to Pakistan and other friends and allies of the United States — and that too within barely five months of making the six-year commitment.

The Reagan Administration will have to intervene at a more senior level to staunch the bleeding and Republican Senators will have to learn to defend their causes at least attend more important Committee meetings — the way the Democratic Party marshals its forces, before the present rollback in the Reagan Administration's foreign policy commitments can be stopped.

WEST GERMAN ASSISTANCE FOR BALUCHISTAN PROJECTS LISTED

Quetta BALUCHISTAN TIMES in English 14 May 82 p 6

[Text]

A high level delegation, led by Mr. Konrad Popzner, State Secretary, Ministry of Economic Cooperation, arrived Quetta on 13th May on a 3-day tour of Baluchistan. During their stay, the delegation held discussions on development needs of Baluchistan with the Governor, Baluchistan, Chief Secretary and Additional Chief Secretary (Development). It will be recalled that bi-lateral negotiations had recently been held between Government of Pakistan and Federal Republic of Germany in Islamabad. Following projects, pertaining to Baluchistan, were considered for possible financial assistance of West Germany.

1. BALUCHISTAN MINOR IRRIGATION AND AGRICULTURAL DEVELOPMENT PROJECT.

This is a project which has been picked up by IDA/World Bank for their financial assistance. The total cost of the project has been estimated at Rs. 380.00 millions for a period of 6 years. The West German Government have agreed to co-finance this project to the extent of Rs

145.200. The present delegation, which is currently touring all the provinces of Pakistan has already signed an agreement with the Government of Pakistan under which West Germany will provide Rs. 43 million for "BMIADP" during the fiscal year 1982-83.

2. SELF-HELP PROJECTS IN BALUCHISTAN

The project aims at promoting the development of Human resources in the province by supporting projects of self-help groups, which are designed to meet the basic needs (food, drinking water, clothing, housing, Health and education). Schemes of the following nature will be included in the project:

- Drinking water, sewage and refuse disposal.
- Seeds Plants
- Small agricultural and industrial equipment
- Investment in rainfed and irrigated agriculture
- Forestry and Erosion control
- Animal Husbandary
- Food storage and processing
- Roofing of houses.
- Bio-gas plants

- Access roads
- Buildings, teaching materials and teachers houses for Primary Schools.

An amount of DM 6.00 million (approximately 3 million dollars) has been agreed for this project during the year 1982. This will be purely a grant assistance. It will be utilized through the Rural Local Councils, Cooperatives and Voluntary Institutions on the projects as identified above.

3. PRIMARY EDUCATION IN BALUCHISTAN

An amount of DM 6.00 million (approx: \$ 3.00 million) has been agreed to be provided for promotion of primary education in Baluchistan. The project will cover the following components:

- Rehabilitation of primary school buildings.
- Provision of residential buildings in primary schools.
- Improvement of primary education by provision of teaching aids.

There are about 2600 primary schools in the province, of which about 1000 schools are housed in comparatively better buildings, while the remaining have either no buildings or in

dilapidated condition. Moreover, residential buildings are almost non-existent in the primary schools. With the proposed project under German assistance efforts will be made to rehabilitate the existing school buildings and to construct new ones.

4. VOCATIONAL TRAINING INSTITUTE AT HUB

It has been agreed to provide technical assistance to the extent of D.M. 2.00 million for engaging expertise for setting up of a Vocational Training Institute at Hub. According to the proposal of the Labour Department, training facilities for 480 students are included in the project in the following trades:-

- Auto mechanic
- Refrigeration/Air Conditioning
- Farm-Mechanic
- Radio/TV Mechanic
- Textile Machiner
- Welding
- Turning-Machinist
- Plumbing
- Electrician
- Civil/Mechanical Draftsman

The Labour Department Baluchistan has prepared a scheme for Rs.20.00 million of which Rs.10.00 million are for the building construction and Rs.10.00

million for equipment. West German Mission has previously visited Hub for preparation of this project. The amount of DM 2.00 million (approx: \$ 1.00 million) will cover the expenses for the experts who will visit Quetta and supply of some equipment.

5. EDUCATION & TRAINING PROJECTS IN REFUGEES RELATED AREAS

This project was originally considered for education and training in the Refugees related areas. The exact amount has not so far been indicated but likely availability will be of the order of DM-1.4 millions (approx: \$ 0.75 million). It was proposed to utilize this assistance for improvement of the Artisan Training School at Quetta, which presently lacks the facilities in respect of equipment etc.

TECHNICAL AND FINANCIAL ASSISTANCE FOR THE YEAR 1983-84.

The following projects have been agreed for financial assistance during the year 1983-84.

- 220 KV electric transmission line from Dadu to Khuzdar, including Grid Station.
- Augmentation of Bund Khushdil Khan.
- Construction of Akra Kaur Dam (Gawadur).

SAUDI ARABIA'S SUPPORT FOR PAKISTAN AFFIRMED

Karachi MORNING NEWS in English 27 May 82 p 10

[Text]

The Saudi fraternal ties with Pakistan are quite monoethnic and Saudi Arabia is deeply concerned with the security and integrity of Pakistan. The Saudi aid to Pakistan for arm purchase from the USA, for defence purposes, will never be restricted or shelved, said Mr Zaid Abdullah al-Khiyal, Consul-General of Saudi Arabia, while talking to a 50-member delegation of Jamiat Ittihad Alam-i-Islami when it called on him yesterday.

Following Indian Premier's recent four-day visit to Saudi Arabia Indian Press carried virulent and aggressive criticism against Arab leaders and Saudi Arabia for their pro-Pakistan and pro-Muslim policies.

Clippings of daily Tribune

(Chandigarh). The Hindustan Times and The Times of India, bearing sharp criticism on biased and prejudiced policies of Saudi Arabia, were shown to Mr Zaid Abdullah al-Khiyal said that the Indian Press criticism on Saudi Arabia's propensity for Islam and Muslim countries is illogical, because Saudi Arabia is purely a Muslim country and was holding in high esteem every Muslim of the world even since before the

He said that no power on earth can break the fraternal ties which Saudi Arabia has with brotherly Muslim country Pakistan.

Mr Zaid Abdullah al-Khiyal added that it was firm conviction and commitment of Saudi

Arabia that all Muslim countries should stand united against any aggression on any of the Muslim country.

He said that Islamic countries are now passing through very crucial circumstances and Saudi Arabia would not let the intrigues of the opponent of Islam thrive in any of the Muslim countries of the world.

The Saudi Consul General lauded the Jamiat's concerted and sincere efforts towards the Arab cause and Muslim unity and he paid tributes to its President, Mr Anwar Jalees.

Mr Khiyal claimed that President Zia-ul-Haq always received brotherly treatment and unprecedented rousing welcome whenever he visited Saudi Arabia.

CSO: 4220/37

TURKEY TO OPEN SEA ROUTE FOR TRADE WITH PAKISTAN

Karachi DAWN in English 27 May 82 p 8

[Text]

ISTANBUL, May 26: The Turkish Industries Minister, Mr. Mehmet Turgut, has emphasized the need for export-oriented trade between Pakistan and Turkey and said his Government is going to open a sea route for trading between the two countries.

In an interview with AFP's touring correspondent, the Turkish Industries Minister said the sea route was being opened under the special directive of Turkish Head of the State, Gen. Kenan Evren. He said Gen. Evren was very keen in promotion of economic relations between Pakistan and Turkey.

Mr. Turgut said by June next Turkish cargo ships would start reaching Karachi enroute to Jeddah.

The sea route, he said, would go along Suez Canal, Persian Gulf, Jeddah and Karachi. This route, he hoped would make shipment of goods cheap and contribute a lot to promote commercial links between the two countries.

He asserted there was outburst of friendly and brotherly feelings between the two peoples but regretfully they were not fully exploited to the economic betterment of both the nations.

Now he said, both Pakistan and Turkish government leaders were making important strides to promote mutual economic relations. He referred to the exchange of visits by Turkish and

Pakistan's Presidents and said, these visits had reactivated economic relations following Pakistan's President Gen. Mohammed Zia-ul-Haq's visit, economic delegations from Pakistan had started reaching Turkey to determine areas of cooperation, a few months back, he said.

Pakistan's State enterprises delegation visited Turkey and chose 21 major enterprises in which joint ventures could be undertaken. State enterprise delegation was followed by private sector's delegation who is now in Turkey to explore economic possibilities.

He asserted major industries in Turkey were in private sector and free of state control. With a view to this fact, exchange of private sector's visits would prove more tangible, he hoped. Identifying certain areas of cooperation, Mr. Mehmet Turgut said Pakistan and Turkey were undertaking joint venture in cement industry following the understanding reached at Islamic Industries Ministers conference held at Islamabad this year.

He said there was lot of room for mutual collaboration in electronics, motor and defence production industries. Mr. Mehmet Turgut said Turkey was also making investment in Pakistan and referred to a Turkish lands manufacture factory being set up in Pakistan. Agreement, to this effect, he said was reached during Pakistani Industries Minister, Mr. Nahi Buz Soomro's recent visit to Turkey.—

MAZARI OPPOSES NON-PARTY ELECTIONS

Karachi DAWN in English 23 May 82 p 1

[Text]

LAHORE, May 22: The President of the defunct National Democratic Party (NDP) Sardar Sherbaz Mazari, expressed the view today that the proposed attempts to hold elections on non-party basis and to assign a permanent role for the Armed Forces in the Constitution would only open a Pandora box, further complicating the already uneasy political situation in the country.

Former President Ayub Khan had also made similar experiments with the political and constitutional systems of the country, and had ended up by abrogating his own Constitution which he had described as panacea for all the national problems, he added.

Talking to this Correspondent at the residence of Syeda Abida Hussain, Mr. Mazari said, he opposed the proposals, regarding introduction of non-party elections and Army's role in the country's constitution on more than one count. First, his party was of considered opinion that only an elected parliament had a right to amend the Constitution and hence any attempt on the part of the present Military Government to bring about an amendment to the constitution was

unjustified as a matter of principle. Secondly, non-party polls would only deprive the people of their fundamental right to contest elections, and choose candidates of their liking. There should be no bar on a voter to qualify as a candidate, and the previous practice under which every voter could also be a contestant, should continue, he added.

He noted that Pakistan had itself emerged on the political map of the world as a result of a democratic process, and it was a political party which had founded it. To talk of restrictions on political parties and process was, therefore, totally unjustifiable.

He said, unlike Turkey, for example, Pakistan was a peculiar federation which could survive only under a democratic process. He was of the opinion that the Armed Forces had had only one role to play — to defend the country's borders, and to operate under an elected Government.

Mr. Mazari maintained that the Government should avoid coming out with statements contradictory to each other, as it would only lead to further loss of credibility which was already at its lowest.

CSO: 4220/29

NOORANI VOICES OPPOSITION TO NON-PARTY POLLS

Karachi DAWN in English 24 May 82 p 1

[Text] MULTAN, May 23: Maulana Shah Ahmad Noorani has demanded "immediate" holding of the general elections, and has said the Government will be responsible for the consequences of delaying it.

But, talking to newsmen at the airport on his arrival here today, he opposed elections on non-party basis, alleging that this was aimed at transferring power to Jamaat-i-Islami.

In fact, he claimed, it was the Jamaat which had prepared the formula, because it could never win an election as a party.

However, his party, had not arrived at a formal decision whether it would take part in a non-party election. Its General Council was to debate the issue, he said.

He told newsmen that he had a two-hour meeting with Pir Pagaro the other day, in which they discussed ways of strengthening alliance between the Jamiat Ulama-i-Pakistan and the Pagaro Muslim League

He added that a decision was taken during the talks that meetings of the coordination committees of the two parties should be held in Karachi in the second week of June.

He told another questioner, "We do not recognise the MRD, but said the JUP would continue talks with some of the parties forming that alliance, including the Pagora Muslim League, the Tehrik-i-Istiqlal, the Khairuddin ML group) and the NDP.

He also called for a round-table conference and declared that only an elected government could face the Indian threat.

CSO: 4220/33

PROBE ORDERED INTO ANTI-LIAQUAT REMARKS

Lahore THE PAKISTAN TIMES in English 23 May 82 p 8

[Text]

MULTAN, May 22: The District Magistrate Multan, today directed the SHO, Police Station, Saddar, Multan, to investigate a complaint filed in his court by Maulvi Faizan, a senior advocate, against Sardar Shaukat Hayat Khan, ex-MNA, under Sections 500, 504, 505 and 506 PPC.

Maulvi Muhammad Faizan, advocate, on May 15, had filed an other complaint under Section 500, 504, 505 and 506 PPC before the District Magistrate, Multan to the effect that the accused Sardar Shaukat Hayat Khan, by stating that the incoming of the refugees to Pakistan after Khokhrapar border was opened by Khan Liaquat Ali Khan, had given birth to many vices. This complaint was also adjourned for today for proper order.

The District Magistrate today passed orders in this second complaint to the effect that Maulvi Muhammad Faizan himself is a refugee though he had not passed the border through Khokhrapar, yet it has given cause of complaint to Maulvi Faizan and as such the learned District Magistrate has taken cognizance of the matter under Section 190 (A) Cr. PC and has further directed the SHO, P.S. Saddar to investigate into the matter as provided under Section 156 Cr. PC and submit his report within 15 days of the

order.

The District Magistrate filed another complaint, Maulvi Faizan against Sardar Shaukat Hayat Khan regarding the interview of the letter published in 'Haft Roza Dehal' saying that the Quaid-i-Azam Muhammad Ali Jinnah became Governor General of the country at the advice of his Advisers and that at the time of independence the Father of the Nation had no sphere of influence.

Similar in the same interview Sardar Shaukat Hayat Khan had contended that Nawabzada Liaquat Ali Khan had no sphere of influence and to get favourable strength of voters he had opened Khokhrapar Border for the entry of Muhajirs. The court observed that the complaint had no cause of action nor was an aggrieved person and consequently the complaint was filed.

The court further observed that Begum Raana Liaquat Ali Khan his sons Akbar Liaquat and Ashraf Liaquat and Mohtarama Shirin Bai sister of the Quaid-i-Azam or any other relation of the Quaid were aggrieved persons and only they had cause to pursue the defamatory case in any competent court having jurisdiction.

JAMAAT LEADER CRITICIZES WALI KHAN

Karachi DAWN in English in English 24 May 82 p 2

[Text]

LAHORE, May 23: Qazi Hussain Ahmed, Secretary-General (defunct) Jamat-i-Islami, Pakistan, has criticised the statement of Khan Abdul Wali Khan that Arbab Sikandar-Khan Khali's murder was a political act carried out on the instigation of a political party and has termed it as baseless propaganda.

In a Press statement, issued here on Saturday, the Jamaat leader said that his party did not believe in the politics of violence with due respect to its constitution and traditions and considered it wrong also from religious point of view. Tehrik-i-Islami considered the politics of violence destructive for the country and it did never resort to such politics despite being hurt, he added. Qazi Hussain Ahmed demanded the trial of alleged killers of Arbab Sikandar Khali in an open court, so that the nation could

know the factual position.

He also criticised Wali Khan's recent appeal for unity to resist Red Revolution and said that he (Wali) was supporting Babrak Karmal whom he alleged to be a tool of Red imperialism and had not uttered even a single word in support of the people who were sacrificing their lives to contain the Red Revolution. There was no weight in Wali's appeal in this background, he added.

He alleged that Khan Wali had become aggressive after his return from Kabul. Firstly, he subjected Quaid-i-Azam to his criticism and later started thundering on the Jamat-i-Islami. He said the support to Babrak Karmal had removed the veil of Pakhtoons friendship from his face and it was due to this exposure that he was making criticism on the Quaid or the Jamat.

CSO: 4220/33

ZIA ADVISED TO SEEK PUBLIC OPINION BEFORE DECIDING ON POLITICAL STRATEGY

Karachi DAWN in English 24 May 82 p 9

[Text]

ACCORDING to reports, the President will address the nation on July 5 next to describe in details the political system that he and his colleagues have in their minds. He is also expected to announce a categorical programme about the next general elections.

Five years after the imposition of martial law the least that can be done is that the government may explain the lines on which it wants to solve the country's political problems and put forth the guidelines it has in mind for the holding of elections. Once the official thinking on these issues is made clear, the direction of the political demands will be changed. It will also put an end to the demand of holding elections.

During the past five years, Gen. Zia and his colleagues have served the country with devotion and sincerity. But in any developing country, historic, economic and social factors

create a vacuum between the performance of the government and aspirations of the people. This vacuum creates unrest and lack of satisfaction. If the people get a chance every 4 or 5 years to impeach their rulers and elect new ones, the unrest does not lead into wrong directions. In Pakistan also, after the passage of five years, certain sectors are now displaying unrest and anxiety. If these sectors know they are going to elect new rulers, the direction of their resentment will be changed.

We don't know if the proposed political strategy has been finalised. But it would be better if the President presents his political thinking in the shape of suggestions and seeks public opinion about them. The future political skeleton should be given an absolute shape in the light of suggestions and advices received. It is all the more necessary because of the mixed reactions to official indications about possible changes in certain aspects of the political system suggested under the '73 Constitution.

Jang, Karachi, May 21.

CSO: 4220/33

NDP LEADERS EXTERNEED FROM PUNJAB; 20 HELD

Karachi DAWN in English 26 May 82 p 1

[Text]

LAHORE, May 25: The President of the defunct National Democratic Party, Sardar Sherbaz Mansari, was today exteeneed from the Punjab and sent to Karachi while Khan Abdul Wali Khan, Begum Nasim Wali and Haji Ghulam Mohammad Bilore were sent back to Peshawar.

The exteeneement order was served on them while they were attending a meeting of the central executive of the defunct party.

Over 20 other members of the party's working committee were arrested from the venue of the meeting — the Gulberg residence of Mr Latif Qureshi — and were later shifted to Camp Jail. Those arrested include Mr Afzal Khan, Haji Mohammad Adil, Mr Abdul Khaliq Khan, Arbab Hamayoun and Mr Salim Khan from the NWFP; Syed Ahmad Dehlvi, Mr Abid Zuberi, Mr Hassan Feroz Haji Shar Khan and Mr Hameed Hamadi from Sind; Rao Moham Akhtar, Mr Ehsan Wala, Mr Farooq Qureshi, Sardar — Zaheer — Khan, Mr

Abdul Nadeem Kanjee and Mr Ashgar Aziz Rokri from Punjab; and Haji Ghulam Sarwar, Dr Inayat and Malik Usman Kanai from Baluchistan.

Begum Mehmooda Salim was also arrested but later released. She left for Peshawar.

PRESS NOTE

A Government Press Note issued here today said: "This morning the Government of Punjab was constrained to resort to legal action and arrest all participants of the defunct NDP who, in flagrant violation of the MLRA No. 23 and 48, were holding a meeting of its central working committee at the residence of Mr Latif Qureshi, advocate, Lahore."

The arrested persons include Khan and Begum Abdul Wali Khan, Sardar Sherbaz Mansari and Haji Ghulam Mohammad Bilore who have since been sent back to their respective places of residence.

CSO: 4220/35

TEHRIK LEADER CRITICIZES NDP LEADERS' ARREST

Karachi DAWN in English 28 May 82 p 20

[Text]

LAHORE, May 27: The Acting Chief of the defunct Tehrik-i-Istiqal, Mian Mahmud Ali, has today criticised the Government's decision to arrest the leaders of the defunct NDP. In a statement Mian Sahib said, it was rather strange that those leaders of the party who had convened the meeting of the Central Executive and had organised it — such as Khan and Begum Wali Khan, Mr Eherbaz Mazari, and Haji Ghulam Mohammad Bilor — had been set free and sent back to their home towns while others had been kept in prison.

He said, two advocates, Mr Ehtesham Ahmed and Umar Kasuri had tried to meet the NDP detainees in the Camp Jail Lahore but had been informed by the Jail Superintendent that they could do so only with the permission of the Home Secretary. This had obviously caused difficulty in providing legal defence of the externment order served to the detainees.

Mian Kasuri was also critical on some political leaders under which their entry into certain provinces had been banned.

CSO: 4220/40

PAKISTAN TO CONTINUE OPPOSING RACIAL SOUTH AFRICAN POLICIES

Karachi MORNING NEWS in English 28 May 82 p 1

[Text] RAWALPINDI, May 27--Syed Fakhar Imam, Federal Minister for Local Government and Rural Development said here today that Pakistan would continue to extend unswerving and unstinted support to the people of South Africa in their just struggle against colonialism, racism and oppression.

He was speaking at a seminar organised by Human Rights Society of Pakistan to observe the Solidarity Week with the people of South Africa in their struggle against colonialism, racism and imperialism.

The Minister called upon the international community and the free world to exert full pressure on the racist regimes, particularly South Africa to restore the rights of the oppressed and suppressed peoples of South Africa and Namibia.

Syed Fakhar Imam said that mere resolutions and calls for the restoration of the rights of South African and Namibian peoples would not bring any change in the attitude of the racists regime until and unless the U.N. acted resolutely on this "humanitarian issue which pricks the conscience of the entire world."

He called for severance of all types of relations by international community and free world with the racist regime of South Africa.

He said that the policy of apartheid pursued by the racist regimes flouted all canons of justice and it was the social and economic exploitation in its worst form which should be condemned vehemently.

Syed Fakhar Imam reiterated Pakistan's firm support to the U.N. resolutions against the violations of human rights and said that people of Pakistan would express their full solidarity with the United Nations initiatives aimed at bringing justice to the suppressed people of South Africa.

CSO: 4220/39

ZIA DEFENDS ARMY'S ROLE AND IMPORTANCE

Karachi DAWN in English 27 May 82 pp 1, 3

[Text] KOHAT, May 26: President Mohammad Zia-ul-Haq said here today that the role of the armed forces in [word illegible] ideological State of Pakistan, unlike other countries was not only to defend the geographical frontiers but also to safeguard the ideological frontiers.

Inaugurating a two-day seminar on psychology, arranged by the Inter Services Selection Board (ISSB) the President said that Pakistan, by the grace of Allah has the honour of inheriting the military traditions of Islam. "We are a part of the Millat whose basic tenets include the principle of Jihad and which looks upon sacrifices made in the name of truth and justice as the greatest honour both in this world and in the hereafter."

The President said the selection of officers for the armed forces is very important. In fact the most important responsibility because on completion of their training and education, these officers are entrusted with important and sacred responsibilities relevant to the country's defence. Military officers are not only responsible for the capability and performance of jawans under their command, but, taken as a whole, they are the guardians of the security of the country and the nation, protector of our frontiers and of national honour and dignity both in times of war and peace, he said.

The President said as far as Pakistan, being an Islamic ideological state, was concerned, the selection of proper officers carried significance importance. The President said: "Surely we too need physically and mentally fit and alert and healthy persons. which is the prescribed standard for armies all over the world. But along with this, we need individuals who believe in the ideology of Pakistan, understand the ideology of Pakistan, and are, after having accepted that fundamental ideology, prepared to make every sacrifice for its protection, sustenance defence."

Indicating what the temperament of officers of Pakistan's armed forces has to be, the President said our history tells us that Muslim leaders exercised great caution in the selection of officers for their armies. The Holy Prophet (peace be upon him) himself selected sepoys and their officers, he said.

President Zia-ul-Haq said it was the standard of selection set by the Holy Prophet (peace be upon him) that gave Islam such competent commanders as Hazrat

Khalid Bin Walid, Hazrat Abu Obaida and Hazrat Sa'ad Ibne Waqqas (may allah be pleased with them all) and it was by following the traditions left behind by them that Mohammad Bin Qasim and Tariq Bin Ziad proved their capabilities as commanders.

He said sound sense and wisdom, judgment, ability of leadership, thorough familiarity with weapons of war and their use, and full perception of the treatment, character and capability of the men under his command are qualities which every military officer should possess, and these qualities are not exclusive to any class, generation or family.

President Zia-ul-Haq, who is also the Chief of the Army Staff, said although Pakistan is a developing country, and from the material point of view we and our armed forces look small, our armies, Insha Allah, can, be virtue of their superior leadership overpower our numerically superior forces. It is for this purpose that it is absolutely necessary to select for our armed force officers with high degree of competence. Likewise, better training organisation and intellectual and physical growth of these officers is also imperative, he said.

President Zia-ul-Haq said apart from this, we will also have to ensure whether or not our selected officers have the mental ability and temperamental aptitude to understand, accept and act in conformity with the dictates of the weapons and methods of warfare which have assumed scientific and technical complexities in the modern age.

However, the President said, as long as the basic requirement of ours are not met according to modern methods our objectives will remain unfulfilled.

The President appreciated the performance of ISSB and said the board has taken a positive step to improve the system of selection of armed forces. He was confident that the seminar would present appropriate and necessary recommendations for an overall improvement in the existing system. He said that the implementation of these recommendations and proposed reforms would have his fullest cooperation.

The President thanked the scholars and experts who were present at the seminar.

Maj Gen Zahid Ali Akbar Khan, Adjutant General,, Pakistan Army, in his address of welcome gave a brief account of ISSB history.

The President also spent about two hours at the ISSB and visited all its component wings.

Admiral Karamat Rehman Niazi, Chief of the Naval Staff, Air Chief Marshal M. Anwar Shamim, Chief of the Air Staff, Lt. Gen Jamal Said Mian, Acting Vice Chief of Army Staff and Lt-Gen C. A. Majid, Corps Commander were also present.

Prominent psychologists read papers at the seminar

RELEASE OF NDP LEADERS DEMANDED

Karachi DAWN in English 27 May 82 p 3

[Text]

LAHORE, May 26: The Lahore High Court Bar Association has demanded that all leaders of the defunct NDP arrested at Lahore yesterday, particularly the lawyers among them, should be released without any delay.

A resolution adopted at a meeting held under the chairmanship of Mr Abid Minto noted with concern that those detained under the Martial Law regulations included Mr Ehsan, a member of Lahore Bar, Arbab Humayun, a member of the Pakistan Bar Council and Mr Haasan Hameedi, advocate of Sukkur.

The meeting observed that while some other political parties were allowed to hold their meetings and their proceedings were published the authorities had chosen to take action against the NDP.

Our Staff Reporter

...add:

Four MRD leaders, Mr Maira, Mohammad Khan, Mr Zainul Abedin, Mr Patahyab Ali Khan and Qari Sher Afzal, criticised the externment of defunct NDP leaders from Punjab and arrest of over 20 members of the party's working committee.

In a joint statement they said the meetings of the executive bodies of some other defunct parties were allowed to be held at one time or the other.

The MRD leaders demanded release of the NDP leaders and urged the Punjab Government to withdraw its externment order against Sardar Sherbas Mazari, Khan Abdul Wali Khan, Begum Naseem Wali Khan and Haji Ghulam Mohammad Bilore.

They also protested against the NWFP Government's order restraining the entry of Mrs Nusrat Bhutto and Malik Mohammad Qasim into the NWFP.

CSO: 4220/37

MAHBUBUL HAQ'S PLANNING STRATEGIES LAUDED

Lahore THE PAKISTAN TIMES in English 23 May 82 p 4

[Editorial: "Planning for the People"]

[Text]

Dr. Mahbub-ul-Haq, Deputy Chairman of the Planning Commission, in an interview with the Pakistan Broadcasting Corporation has disclosed that the Sixth Five-Year Plan will be different from the earlier plans both in its methodology and contents. He has said that the Plan will be prepared not in the bureaucratic ivory tower but with the "people's assistance" and public approval. Towards this end the plan-makers, including Dr. Mahbub-ul-Haq, will visit the villages and consult the masses so that their real problems can be identified and incorporated in development programmes. He stated that steps are being taken to involve people's representatives in the planning process: local councillors have been asked to draw up five-year plans at the district level taking into account local needs and resources. They will be assisted in this task by experts provided by the Government. He indicated that the proposals and recommendations, emanating at the grass-roots level,

will be used as the basic input for finalising the Plan. Later, it will be placed before the nation for discussion before being launched in July, 1983. There will be an open debate in the country over the merits of the Plan and it will be suitably amended to reflect popular consensus. As pointed out by Dr. Mahbub-ul-Haq, the key objective behind eliciting public opinion on the Sixth Plan is to remove the deficiencies in the current one.

Not only in its methodology of formulation but also in its basic strategy the Plan will mark a departure from its forerunners. Whatever little details about the forthcoming plan have come out show that it will put a new emphasis on public welfare and activation of the private sector. Special efforts will be made to meet the people's basic needs such as drinking water, housing and education. The rural electrification programme will be speeded up and a special Rs. 15 crore technical skill project will be launched

under which artisan schools will be opened to produce skilled manpower and fight unemployment. The private sector will be given full support to come forward to play its due role and several sectors, including engineering and agro-industries, will be reserved for it. Controls inhibiting private enterprise will be relaxed in order to increase the pace of development in the country. Fresh schemes to attract foreign remittances are also on the cards.

It is the first time that a decision has been taken to involve the common man with the detailed formulation of the country's development programme. Since the larger plan will be based on local schemes, it will necessarily project and safeguard the people's basic interests. The previous plans lacked this orientation and consequently, did not fully

satisfy popular aspirations. If at one time too much stress was put on capital formation to the neglect of social justice, at another economic planning was sacrificed at the altar of political expediency. The lack of balance between industrial and agricultural investment has also militated against maximum growth. This was due to the fact that planning was considered an exclusive preserve of the arm-chair expert and little importance was attached to the human equivalent of economic indices. It is good that all this is changing and the common man, whether in the city or the countryside, who is at the centre of all planning is being given the attention he deserves. Such an approach is sure to make planning a much more productive exercise than it has been in the past.

ADULTERATION OF FOODS, MONEY-GRABBING TREND SCORED

Peshawar KHYBER MAIL in English 16 May 82 p 3

[Editorial: "Adulteration"]

[Text] In the universal race for making money, where other nations take recourse to more and more industry, in Pakistan it is done through manipulation, dishonest activity, short-weight selling, high margins and adulteration in food products as well as medicines. These are all short-cut methods which allow more and more shirkers from getting off the field of work and making more cash for greater comfort. Some of the most intelligent people, including high officials of government, businessmen and industrialists do not realize that this is the shortest way to cut each other's throats and the worship of money which, they say, is the only way to a happy living and success. There are coloured chillies in the market, or powdered spices which are mixed with all sorts of extraneous material, including brick-dust, ashes, wood-dust and so on, widely sold in the market, playing havoc with the public stomachs. The butcher invariably provides 100 gms of meat less to account for the so-called skin-peelings, and the rest made up of bone-pieces, odd unaccountable portions, and owns up to his manipulations with the greatest cheekiness because it is a sellers' market. Oil or vegetable ghee, in closed tins or open, is full of matter harmful to health and one has to pay through the nose. The powdered milk, supposed to be packed up with considerable vitamins and minerals, is certainly harmful to health as the Finance Minister himself publicly confessed. As a matter of fact, it can be safely said, nothing is pure in what we eat. The fresh milkman asserts that he simply does not mix water in the milk, but rather milk in the water to make it look white.

The cumulative effect of all these adulterated materials that are consumed by millions in the cities daily, play havoc with their health. As we have commented in these columns before, the aches and pains force the people to go to a doctor who treats them (using all the meanings of the word treat) with the scantiest of attention and a large fee. If the attention paid is in consonance with the size of the charge, even then the question of a correct diagnosis is doubtful. If by any chance, the diagnosis turns out to be without blemish, there is the next step in the curative process, that of the medicines. Lately it has been remarked that the quality of the proprietary medicines is deteriorating day by day. Either it is the manufacturers themselves, vialling and tab-letting imported drugs in Pakistan, are deliberately cutting down on quality,

or there are numerous fakers who are putting simply something which looks like a drug and passing it on as the real product. We, however, found through our own research that the greater chances are that the manufacturers themselves are to blame in most cases. We checked it up by purchasing, say, the Combiotic (a combination of streptomycin and penicillin) from various establishments and used it on families, and only in rare cases, they gave the results they used to. Benadryl is another product for coughs and colds and it used to be a specific. But, lately, it is not the true quality and neither of the ailments for which it is earmarked, are affected in the least by it. The same is true of many other drugs which are in great demand for petty complaints. Novalgin used to be an analgesic which was most effective, but lately it too has lost its efficacy.

Why is this so? Have we no Government departments to check the quality of the products, or they simply do so in the manufacturing establishments and of such few samples that have been specially set aside from the rest of the lot for Health Department checks? We do not know how this happens, but that it does and there is no apparent explanation that would strike us as true. Does the Government's Health Department not realize that by letting such stuff on the market is liable to prove lethal to many of the citizens? If they do realize this, why this callousness? In fact the whole edifice of corruption down the line is contributing what may be termed as mass massacre of people, and that too with most horrible way of going through torture of catching diseases and then suffering till they complete their nefarious job. The administration either seems to have fallen on its job or it is simply not interested in saving human life. We talk a good deal of Islam and its injunction and how our country is going to be, or already is, the citadel of Islam. These are not the things that Islam permitted. We are only being hypocritical when we talk of our sincerity to Islam. All we can ever do is talk and talk. In our practical life we are worse in our moral lives than the worst of the idolators. Certainly, if we have left God behind us, a time would be when God would also leave us. We fear the coming of that day unless we hasten to reform ourselves. Little hope though there is of that!

CSO: 4220/39

GOVERNMENT AGENCIES' WASTE ON LUXURY CARS SCORED

Karachi DAWN in English 23 May 82 p 11

[Editorial: "Car A Necessary 'Luxury'"]

[Text]

HOW MANY cars does a poor country need? A lot, if it does not have an adequate mass transit system in its large cities. Private means of conveyance would tend to become a necessity in the absence of efficient public transport. The situation in Pakistan, as seen in its major urban centres like Karachi, Lahore and Islamabad-Rawalpinid, is quite evident. Motor-cycles and cars are increasingly becoming a necessity. Mainly it is the car that determines a middle-class family's place and mobility in society. But the car also sharpens some of the deep-seated contradictions. At a Savings Week function in Lahore, a teacher of the Punjab University was highly critical of the excessive use of the motor car in a developing country like Pakistan. The teacher, presenting his own 25 years of service as an example, said the salaried person could not afford to buy a car unless he resorted to unfair means to make money. Whatever the validity of this formulation, the Provincial Finance Minister reacted in a typical fashion to this individual lament. As an agency has reported the en-

counter, the Minister offered the university teacher a new car at Government expense, apparently to vindicate his argument that the car has now become a necessity. The teacher, it is said, declined the gracious offer. Perhaps he realised that this solitary act of generosity would be irrelevant to the general argument. Or was the Minister hinting that the provision of a car for every senior salaried person could be a plank in some basic needs approach? One does not, also, know if the Minister had in his mind the eight air-conditioned limousines and the ten air-conditioned medium-sized cars that the Services and General Administration Department of the Punjab Government is buying. At least the limousines will certainly be classified as luxury cars and should be meant for those for whom a car is more than a necessity. This should also lead us back to the original question: Can we afford luxury cars for our bureaucrats?

One can look at the car syndrome from a variety of angles. The lack of a mass transit system is not the fault of

those who are left stranded along roads that are clogged with cars we should have been able to do without. This grave lapse of our public policy has led to multiple evils. If Karachi had, say, a proper subway, the economic as well as the social life of the metropolis would have been different. As it is, transport is the most painful aspect of civic life in Karachi, almost a source of daily irritation. Any price for a mass transit system will, in long run, be economical. But we have opted for cars which obviously a normal salaried person cannot afford. For a new car costs more than a lakh of rupees. How much can one save from a fixed income — and for how long — to be able to buy it? It is also a measure of our economic planning and its sense of direction that two-wheelers and small cars are neither locally produced nor moderately priced. What is a necessity is also a luxury. What this situation means for those who cannot afford private conveyance is not difficult to appreciate. There is also the question of fuel consumption and traffic congestion. As we have stated a number of times, these distortions basically flow from the elitist approach in our planning. Cars, in a sense, are favoured; buses are not. One may stretch this dichotomy to any extent. Air travel is gathering pace and the Railways are in retreat, quite prematurely. The stress seems to be on travelling in style and comfort and at a higher speed. But what is the direction in which we are travelling — and where will this take us in the end?

NWFP COUNCIL BRIEFED ABOUT UPLIFT STRATEGY

Karachi DAWN in English 28 May 82 p 12

[Text]

ABBOTTABAD, May 27: The Provincial Council of NWFP continued its proceedings on the third day on Wednesday with NWFP Governor Lt. Gen. Fazle Haq in the chair. NWFP Additional Chief Secretary, Sahibzada Imtiaz Ahmad briefed the House about the development strategy for the next fiscal year.

He said the formulation of Annual Development Plan had relied heavily on the active involvement of the Local Councils, particularly the District Councils.

He said that in November last, the likely availability of financial resources and the sectoral break-up was initiated by the Planning and Development Department and during December last the district heads of government departments and members of District Councils held joint sessions to discuss their resources position regarding the progress of ongoing and inclusion of new schemes.

Later, each member of the District Council held a session with the Union Councillors of their constituencies explaining the resources availability and eliciting requirements for the ongoing projects and to ascertain the proposals for fresh schemes, he added.

The Additional Chief Secretary said that by Jan. 15, this year, each member of District Council formulated a tentative programme of his constituency listing priority for new and ongoing

schemes.

This was later placed before the District Coordination Committee in each district and after a thorough discussion and scrutiny an agreed programme of each was devised. This agreed programme came under discussion at divisional level at a joint session of divisional administration heads and District Council chairmen, by March 15.

The consolidated programme of each division was included in the tentative provincial programme.

About the strategy of development, Sahibzada Imtiaz said, efforts would be made to formulate objectives and priority as determined in the Sixth Five-year Plan. Stress would be laid on minimising urban and rural disparities, early completion of ongoing projects, development of social and physical infrastructure including roads, bridges, education, health and drinking water supply, improvement in quality of rural life, increasing agricultural productivity, exploration of mineral wealth and encouraging private investment.

Later, the House discussed the tentative Development Plan.

Members presented various proposals in this respect. They also appreciated the fact that the Government had associated the Local Councils at grass-root level in the formulation of Annual Development Plan.

ADMINISTRATION'S TENDENCY OF FALSE PROMISES SCORED

Karachi BUSINESS RECORDER in English 23 May 82 p 2

[Editorial: "False Hopes Are Worse Than No Hopes at All"]

[Text]

The Federal Minister for Petroleum and Natural Resources, Major-General (Retd) Rao Farman Ali's statement that the entire rural areas of Pakistan would be electrified in the first three years of the next five-year plan, is rather surprising, particularly in the context of the present situation. The statement, creating high hopes among the people, will in all probability cause disillusionment in the end. If the conditions are going to improve so much by the period specified by the Minister, all talk about the present shortages of power would seem to be greatly exaggerated. If the actual conditions at the moment are as visible, the statement seems to be baffling. This country has been making frantic efforts to minimise the wide gap between the demand and supply of the electricity. Day in and day out, people are being asked to economise consumption. This is being done to prevent the cities from plunging into darkness and to

keep the wheels of industry in motion. And, it was only the other day that Farman himself had stressed the need for harnessing nuclear energy to meet the growing demand for electricity in the country. The hardships which this country has been facing in carrying out its peaceful nuclear research programme, are too well known to be recounted here. How our efforts in this regard are being throttled is evident even from the performance of the country's only nuclear power station, KANUPP. The Canadians who helped us in setting up the project have, under the influence of the United States, not only refused to give us the raw materials but also stopped the supply of spares. The French Government was compelled to cancel the deal for a re-processing plant in the late seventies. But, hats off to our scientists and engineers that despite all these odds, they are going ahead with the programme which, in the words of the President

Gen Mohammad Zia-ul-Haq, is a question of 'life and death' for this country. In these circumstances, however, to expect that we would be able to augment our generating capacity to the extent of electrifying thousands of villages all over the country by the third year of the next 5-year plan is rather too much and amounts to creating false hopes, which is worse than no hopes at all.

We would here like to quote from a speech of Munir Ahmed Khan, Chairman, Pakistan Atomic Energy Commission, regarding the development of various sources of energy in the country. He said, "Our planners have estimated that the per capita consumption of energy in Pakistan will increase four-fold by the end of the century. Over the same period our electricity consumption would grow even faster, from the present 160 Kwh per capita to 700 Kwh per capita. It may be noted that during this period the average world consumption will increase to well over 3,500 Kwh per capita. "He then posed a question: How to meet our growing demand?" Having discussed all the available sources of energy, hydel, coal and gas, Munir came to the conclusion that "even after allocating significant portion of the available gas and coal for power production, our hydro and other conventional resources cannot give us more than 11,000 megawatt installed capacity by the end of this century as against our demand of 27,000 megawatt by that time". Even if the non-conventional sources of energy like bio-gas are de-

veloped sufficiently, we would be needing generators to convert the gas into electricity which would place an unbearable burden on our meagre resources. —

Our first and foremost objective in augmenting energy supply should be to meet the demand of the productive sectors of the society. Production, more production and still more production is the need of the hour. Hence every effort has got to be concentrated on achieving this objective. No doubt, rural electrification is also essential, and steps are being taken to electrify as many villages every year as possible. But preference will have to be given to meeting the requirements of the existing production capacities.

Before we conclude, we would like to ask: What is meant by a village? A village in the greater part of our country very often means a cluster of ten to fifteen houses by the farm side. As such, the electrification of these units in so short a time and with so many odds, if accomplished, would be nothing short of a miracle. What we want to stress here is that the authorities should refrain from making statements which may disillusion the people ultimately. Besides, if the people are kept informed of the actual situation on all fronts and they are told the truth and nothing but the whole truth, they will willingly and wholeheartedly cooperate with the Government and give every sacrifice to tide over the difficulties. But if they are fed on false hopes, there will be unrest and resentment among them.

MINISTER REITERATES STAND ON QADIANIS

Karachi DAWN in English 24 May 82 p 4

[Text]

RAWALPINDI, May 23: Raja Mohammad Zafar-ul-Haq, Minister For Information and Broadcasting, reiterated yesterday that Qadianis remain non-Muslims and the question of their status had already been settled in the Constitution once for all.

The Information Minister was speaking at the concluding session of the two-day Seerat-un-Nabi conference, at Jamia Mosque of late Maulana Ghulam-ullah here last evening.

He said that belief in the absolute and unqualified finality of the prophethood of Hazrat Mohammad (peace be upon him), the last of the prophets, forms the basis of the faith of the Muslims. "The Muslims also do not believe in, or recognise as a prophet or religious reformer, any person who has claimed or who claims to be a prophet in any sense of the world or of any description whatsoever, after Hazrat Mohammad (peace be upon him) and the chapter of

revelations also stand closed after the holy prophet", he added.

Raja Zafar-ul-Haq said that although the status of Qadiani group or the Lahori group which call themselves Ahmadis had specifically been defined as non-Muslims, yet President Gen. Mohammad Zia-ul-Haq has issued a presidential order (i.e. the amendment to the Constitution declaration) order 1982 in this respect to allay any doubt on this issue. He said that he had also made categorical statement in the Majlis Shoora to further affirm the government's position on the issue.

He regretted that certain elements continue to create doubts in the minds of the people so that they may drive a wedge between the Government and the people. He cautioned the people not to give any credence to such elements who were out to mislead the people.

CSO: 4220/32

DR ISRAR URGES TRUE ISLAMIC REVOLUTION

Karachi DAWN in English 24 May 82 p 6

[Text]

MULTAN, May 23: Prominent religious scholar, Dr. Israr Ahmad, has said that implementation of sacred mission of Prophet Mohammad (Peace be upon him) and Mohammadi revolution was religious responsibility of every Muslim.

Addressing District Bar Association here, he said that it was matter of great pleasure and satisfaction that the signs of Islamic movement were appearing in some of the countries.

He urged Muslims to work sincerely for preaching Islam and promotion of teachings of Prophet Mohammad (Peace be upon him).

He said that no solid results could be achieved for service of Islam through the election politics. He said that under the present election system only Jagirdars and Waderas could be benefitted.

He said that particular faces of timeservers who are habitual and experts of hoodwinking the poor people are always seen in different disguises in

all periods.

He said that these faces are now seen in the Majlis-i-Shoora.

He said that this Majlis instead of being an advisory body has taken the shape of a parliament which spends its much of time in discussions of official works.

He said that members of Shoora are unable to present problems of people of their respective areas.

He said that since he himself is busy with the religious mission, therefore, it was difficult for him to continue in a body of political type. He said that neither he is a politician nor he is for holding of elections.

He said that due to this fact he has resigned from membership of Shoora. He added that he is not keen of elections but believes in revolutionary Politics of religious type. He said Islam is a revolutionary religion. He said that Islamic movement could be launched after keeping in view all the aims and objects of "Inqilabi-i-Islami"

CSO: 4220/33

MINISTER EXPLAINS DELAY IN NEW LABOR POLICY

Karachi DAWN in English 26 May 82 p 11

[Text]

LAHORE, May 25: The Federal Minister for Labour and Manpower, Mr Ghulam Dastgir Khan said on Monday that the Government earnestly wanted that new labour policy should be accepted wholeheartedly by all concerned.

Such a policy, he observed, could not be formulated haphazardly as its every aspect must be well considered in the light of the objectives and spirit behind it.

Speaking at a reception hosted for him by the Officers Association of the National Bank (Central Circle) at a local hotel, the Minister said that the delay in the announcement of new labour policy was not intentional on the part of the Government. It was due to time it required to make it quite compatible with the national requirements.

The Government, he said, would not enforce new labour policy forcibly but with the popular cooperation and consent. A labour policy, not acceptable to all concerned, could not achieve the desired results, he added. The Minister lauded the Association's assurance in the wel-

come address presented by its President, Mr Gul Mohammed Bhatti, that the bank employees would always work for the success of the current efforts towards the Islamisation of society.

ASSURANCE

The Minister said that he would present the problems of the bank employees before the Federal Cabinet meeting on May 29. He invited a delegation of the Association to meet him in Islamabad on May 27 to further discuss the problems mentioned in the welcome address.

He said the Government was alive to the difficulties of the bank employees and other salaried people, and would provide them every relief possible within the national resources.

Referring to the current development activity in various parts of the country, the Minister said that during his recent visit to Baluchistan he noted that the conditions there were far better than during the previous regimes. A large number of schemes for the supply of irrigation and drinking water, construction of roads and industrial development were being implemented in the province at an accelerated pace.

CSO: 4220/35

MINISTER TERMS LAW, ORDER SITUATION SATISFACTORY

Karachi MORNING NEWS in English 28 May 82 pp 1, 10

[Text]

QUETTA, MAY 27: THE FEDERAL MINISTER FOR INTERIOR, MR MAHMOOD A. HAROON, HAS SAID THAT THE OVERALL LAW AND ORDER SITUATION IN THE COUNTRY AT PRESENT WAS SATISFACTORY.

There are certain indicators where the vested interests wanted to disturb the situation, he stated and made it clear that the Government would not allow such elements to create law and order problem and would take all necessary steps.

Talking to newsmen on his arrival here this afternoon at Quetta Airport, the Interior Minister, however, pointed out that if the situation in one province was much better 'hat does not mean that situation all over the country was normal. In this context he referred to certain clashes between the different students groups which in a few cases proved fatal. The Government, he said, could not allow such a situation to prolong.

The Interior Minister invited the attention of the correspondents towards the increasing trend for materialism and the crime and its quality all over the world. The concept towards crime was more on qualitative than quantitative, he remarked.

The Minister further said that increase in the literacy percentage and high standard has brought in sophistication in the crime. There were times when a thief used a "danda" for committing a theft at one particular place but now they are using sophisticated arms and ammunition and latest techniques in carrying out similar

incidents at more than one place.

Replying to another question, the Minister said that there were about 400 persons in different jails of the country involved in terrorist activities. Thirtynine cases have already been registered and nine were already being tried.

POLITICAL DETENUS

Mr Mahmood Haroon told another questioner that at present there were 16 political detenues. The provincial government have detained these detainees on various grounds and it were the provincial government which have to take the decision in the matter, he stated. The Federal Government, he said, could not issue their release orders. The Minister said if any one was involved in violation of any law he would definitely come in the grip of the law, he remarked. What could be the remedy otherwise, the Minister put a counter question.

Replying to yet another question, the Interior Minister said that the time limit for lifting of ban on the political parties depended on the elements in the country itself. The ban would go if those elements become responsible, he further remarked.

The Interior Minister said that there was Martial Law in the country and the Martial Law regime had certain responsibilities for maintenance of law and order in the country. Its fundamental objectives, he said, was to establish law and order in the country and maintain it. The Minister invited the attention of the journalists

towards the law and order situation obtaining in the country when the Martial Law was imposed. If this step had not been taken there would have been civil war in the country, he further stated.

He told yet another questioner that President and the Ministers had personal contacts with the people. "We frequently meet them but it is not necessary that there should be agreement on all points," he remarked.

LAW ENFORCING AGENCIES

When a correspondent wanted to know his opinion about the performance of the law enforcing agencies, the Interior Minister said it was a co-relative matter and depended on the role of the society itself. Not only the law enforcing agencies but other sectors would also react to the role of the society, he maintained. The Minister laid great emphasis over reformation of the society.

The Minister said while assessing the position of the crime in our own country we must keep into consideration the international trends. What is happening in the United States, Britain and other countries. Materialism has brought a great change in the pattern of the crime which has shifted from quantitative and qualitative and application of sophisticated methods in the application of crimes. And it has to be tackled accordingly.

He told another correspondent that formation of the provincial cabinet lay squarely with the Provincial Governor and he had nothing to do in the matter.

The Minister is scheduled to visit Pishin tomorrow and Ziarat the day after.

On his arrival here, Mr Mahmood Haroon was received at the Quetta Airport by the Federal Minister of State for Food and Agriculture, Mir Zafullah Khan Jamali, Federal Council Members of this area and elite.

LAW AND ORDER IN NWFP REPORTED UNDER CONTROL

Karachi DAWN in English 27 May 82 p 4

[Text]

ABBOTTABAD, May 26: The overall law and order situation in NWFP remained satisfactory over the last year without any undue oppression or extraordinary restrictions and only five persons were detained throughout the province, two of them under house arrest. This was stated by the Provincial Secretary in his report submitted in the Provincial Council's opening session here on Monday morning.

He told the House that the Authorities had to restrict demonstrating teachers and the people of a certain group to hold general meeting in condolence of late Arbab Sikandar Khan Khaki. He said the administration could ill-afford to allow public demonstrations in a tense situation.

Likewise, he said, a certain political group who wanted to give a political colour to the murder of late Arbab insisted upon holding of general meeting in Chowk Yadgar, although the same could have been held at the residence of the late leader.

It was, therefore, the Home Secretary said, binding of the Government not to let free the leaders of this group and hence they were arrested and later released.

Referring to suspicions in the murder case of late Arbab, the Home Secretary expressed the confidence that with the start of trial in the court all these suspicions would be removed.

He also referred the incidence of desecration of Holy Quran and said that one out of three alleged accused was already sentenced by a tribal Jirga. The other had been given status of state witness, while the third was missing and was hectically being chased.

He told the house that a total of 177 suspects of terrorist activities had so far been ap-

prehended in the province out of which 73 had been released for lack of evidence, 58 were bailed out 44 were found guilty, while investigations against three were in progress.

He also hinted on some growth of subversive activities in the province and told that a few people were held for smuggling in objectionable handbills from across the borders and police was on alert to hunt more such cases.

The Home Secretary, while giving facts and figures, observed that police shortage was the main reason for increasing law and order problems.

He said total number of the police in the province stood at 28,945 in 1967 was later on reduced to only 11663 in 1968 under an administrative decision.

This number, he said, was again increased and now stood at 21,976. This number, he said, did not serve the purpose and a substantial increase in police force was again under active consideration of the Government.

He told the house that the Afghan refugees were being supplied kerosene oil to reduce the burden from forests. He said the untoward clashes between local and refugees were very rare which could be gauged from the figures of only 55 cases registered by the police during this year, while 156 cases of different minor clashes among refugees were registered.

He said that the magistracy had become more effective and efficient which reflect from lessening of cases in these courts. About proclaimed offenders hunt campaign, the Home Secretary said it had proved too much fruitful and as many as 891 proclaimed offenders were held in one month's campaign and the fresh measures taken, in the bordering areas would further decrease the volume of absconders.

ECONOMIC PERFORMANCE, TARGETS FOR NEXT YEAR DISCUSSED

Karachi BUSINESS RECORDER in English 23 May 82 p 1

[Text]

ISLAMABAD, May 22: The Annual Plan Coordination Committee, (APCC) which met here today under the chairmanship of the Federal Minister for Finance, Planning and Development, Ghulam Ishaq Khan, reviewed the country's economic performance during the current fiscal year which ends next month and discussed the targets proposed for next year.

The committee, which remained in session for nearly six hours, also considered at length budgetary allocations which are proposed to be made for various sectors in the Annual Development Programme for the next fiscal year.

The public sector programme for 1982-83, is designed to serve as a bridge between completion of the Fifth Five-Year Plan and the launching of the Sixth Plan. It aims at preparing the ground

for changes in development planning and priorities for the coming years. In particular, greater emphasis on removal of infrastructure bottlenecks which are impeding expansion in production provision of essential social services and acceleration in the pace of development of backward regions.

The size and strategy of next year's development programme would, however, be carefully regulated within overall resources constraint in a year characterised by world recession and other pressures on Pakistan's economic situation.

The view and recommendations of the APCC will come up for approval before the National Economic Council, which is expected to meet after a week under the presidency of General Mohammad Zia-ul-Haq.

The APCC meeting was attended among others by the Deputy Chairman, Planning Commission, Governor, State Bank of Pakistan, concerned federal secretaries heads of provincial planning and finance departments heads of autonomous and semi-autonomous agencies and senior officials.

CSO: 4220/32

MINISTER EXPRESSES SATISFACTION WITH ECONOMIC GROWTH

Karachi DAWN in English 27 May 82 pp 1, 3

[Text]

ISLAMABAD, May 26: The current fiscal year is likely to end up with a growth of 6.3 per cent to 6.5 per cent in the gross domestic product (GDP), depending on the extent of rain effects to the wheat crop, maintaining healthy trend of the previous four years.

This was stated by the Federal Commerce Minister, Mr. Ghulam Ishaq Khan, while presiding over the 12nd meeting of the Advisory Council of the Commerce Ministry here today.

He said while the performance, was not accompanied by continuing improvement in the country's balance of payments position, the import substitution in agriculture and industry was stepped up due to large domestic output. He said the substantial increases achieved in the first nine months of 1981-82 in the export of important commodities like cotton cloth, leather, petroleum, fish, sugar and sugar products and readymade garments had been more than offset, by fall, in quantum terms, in the export of rice and cotton.

He said, the decline in the quantity of rice and cotton exports, partly due to their low stocks at the beginning of the year and partly on account of subdued demand in world markets, was aggravated by a drop in prices which was particularly steep in respect of cotton. He said the exports of carpets suffered because recession in developed countries had resulted in a specially sharp reduction in the demand for quality carpets.

Referring to the global economic situation in 1981-82, the Minister said that it was characterised by stagnating production and rising unemployment in the developed countries. The volume of international trade declined during the year for the

first time in over two decades, imbalances in external payments of oil importing developing nations further enlarged, exchange markets more volatile, prices of primary commodities slumped, the aid climate deteriorated and the interest rates increased unprecedentedly, he added.

He said Pakistan's terms of trade, buffeted by import price hikes and world recession, sank by 25 per cent points in the two years ending in fiscal year 1981. The net inflows to Pakistan had similarly diminished by financial year 1981 to one third of the fiscal year 1975 levels and the contraction had been accompanied by a shift from unrestricted commodity aid to tied project aid, he said and added that the Afghan situation placed an immeasurably complex and exacting burden on the national economy.

Mr. Ghulam Ishaq Khan said that in the backdrop of this situation, the performance of the economy of Pakistan was heartening. He pointed out that in the past four years the economy registered an annual growth of over 8 per cent in GDP based on positive contribution of the productive sectors of agriculture and manufacturing. The national exports, he said, increased by 10 per cent per annum in real terms against 5 per cent annual rise in the volume of imports.

The Minister stated that the Government had adopted a policy package to boost production and exports, particularly of manufactures and higher value added products. The package, he said, contained a wide range of monetary, fiscal and procedural measures. He explained features of the steps taken and said that these produced dividend, the export earnings having gone up from dollar 1.1 billion in 1976-77 to over dollar 2.9 billion in 1980-81.

Bold Decision

He said to meet the challenge arising out of reversal in the rising trend of exports during 1981-82, which was caused partly by the continued linkage of rupee with the assendant US dollar, the Government took the bold decision to sever this link in January this year as an important step towards restoring competitiveness of exports. He said already a perceptible pick-up was in evidence in most items and that a resurgence in the previous momentum of export growth was on cards. He exhorted the exporters to use their ingenuity and skill in utilising the present instability in world exchange rates to their and to the country's benefit.

The Commerce Minister emphasised the need for diversifying export earnings from the present concentration on a few commodities and products. He said Pakistan was exporting a wide variety of light engineering items, but we must move over and make substantial advances in production and export of capital goods and heavy engineering products. He said the Government expected both the private and public enterprises supplementing each other's role and working in concert to achieve rapid expansion of production base for the manufacture of high technology machinery and other engineering goods and their exports. Along with diversification to new products and markets, he said, it was vital to establish and maintain good-will by adhering to fair trade practices and by improving the quality of merchandise.

About imports, Mr. Chulam Ishaq Khan said the Government was pursuing a production and export oriented policy. He said the policy for the current year was formulated with a view to ensuring easy availability of raw materials as well as intermediate and capital goods for enhancing the level of industrial production and exports. Moreover, it aimed at checking the possible rise in the price level by increasing availability of goods and by removing obstacles in the way of healthy competition, he added. He explained that to achieve these objectives, not only most of the remaining administrative restrictions imposed in 1979-80 were removed but a number of positive and significant changes were introduced in the import policy. He mentioned features of these changes in detail.

The Commerce Minister said that the liberal import policy had ensured greater availability of raw materials and essential consumer goods. He said the value of licences issued to the private sector during July-April, 1981-82, amounted to Rs. 19,552 million compared to Rs. 17,823 million in the corresponding period of last year, showing an increase of 11 per cent. With small exception, the imports met the needs of enhanced production and essential consumption, he added.

The Minister said that trade promotion being a key element of Pakistan's development strategy, the Government would continue to take further steps within available resources to facilitate and promote exports. In this connection, he stressed the active and effective role which the business community could play in capturing markets, consolidating our hold and building up reputation of quality and reliability for Pakistani products abroad.

During its 4-hour session, the Advisory Council consideration at length a number of proposals to further improve import procedures and mechanisms. The questions of financing imports, safeguarding genuine interest of local manufactures and increasing import of machinery and technology to strengthen the domestic production bases were also discussed freely.

CSO: 4220/37

NEXT YEAR'S PLAN TARGETS DISCUSSED

Karachi DAWN in English 23 May 82 p 1

[Article by M. Ziauddin]

[Text]

ISLAMABAD, May 22: The Annual Plan Co-ordination Committee, which met here today, reportedly decided to keep the overall size of the next year's ADP within the limits imposed by overall resources constraint "in a year characterised by world recession and other pressures on Pakistan's economic situations."

According to knowledgeable quarters, the Planning Commission had proposed a Rs 33,000 million Annual Development Plan. But the committee reportedly slashed it off by about Rs 3,000 million to keep it within the limits of available resources.

In real terms, the next year's ADP will not be much bigger than that of current year's.

The APCC also decided to design the public sector programme for 1982-83 in such a way as to make it serve as a bridge between completion of the Fifth Five-year Plan and the launching of the Sixth Plan.

In view of the proposed changes in development planning and priorities for the coming years, the public sector programme for the next fiscal year is to be shaped so as to prepare the needed groundwork for inducting the desired changes.

Greater emphasis is to be placed on removal of infrastructure bottlenecks which are impeding expansion in production, provision of essential social services and acceleration in the pace of development of backward regions.

The ADP, as proposed by the Planning Commission, had envisaged launching of new initiatives in social sectors and to provide some cosmetic relief to the low-income and salaried groups.

According to original estimates,

the Plan was to cost about Rs 36,000 million, a part of which was to be mobilised by imposing new tax burden on those classes demanding better quality of community services. This would have implied higher cost for education and health.

According to informed sources, the country's resource position has deteriorated to such a level that there is expected a big shortfall in the implementation of the development programme for the current fiscal year. The Finance Ministry has already ordered a big squeeze on the disbursement of funds for the remaining six weeks of the outgoing year in a bid to reassess resource availability.

The APCC, which remained in session for nearly six hours, reviewed the country's economic performance during the current fiscal year which ends next month, and discussed the targets proposed for next year.

The committee also considered budgetary allocations which are proposed to be made for various sectors in the ADP for the next fiscal year.

The APCC meeting was chaired by the Federal Minister for Finance, Planning and Development, Mr Ghulam Ishaq Khan, and it was attended, among others, by the Deputy Chairman, Planning Commission; Governor of State Bank of Pakistan, concerning Federal Secretaries, heads of provincial Planning and Finance Departments, heads of autonomous and semi-autonomous agencies and senior officials.

The decisions taken at the meeting will now be presented to the National Economic Council which is meeting on May 28.

CABINET DECISIONS ON COTTON PRICES, OTHER MATTERS REPORTED

Karachi DAWN in English 24 May 82 p 12

[Text]

ISLAMABAD, May 23: The Federal Cabinet, which met today under the chairmanship of President Gen Mohammad Zia-ul-Haq, decided to raise the support price of cotton by Rs 5 per 100 kilogram in the case of Desi and by Rs 12.50 in the case of other three varieties.

The Cabinet meeting, which was also attended by the four provincial Governors, further decided to raise the support prices of rice—from Rs 212.5 per 100 kg. to Rs 220 in case of Basmati, from Rs 112.5 to Rs 122.5 for IRR1 40 per cent broken, and from Rs 122.5 to Rs 132.5 for IRR1 15 per cent broken.

Briefing newsmen after the meeting, the Federal Information Secretary, Major-General Mujibur Rahman, said the Cabinet took a number of important decisions including one which approved an amendment in section 24(2) of the House Building Finance Corporation Act, 1962, permitting Government servants, employees of the financial institutions, banks and Government-controlled corporations to draw house construction loans from the House Building Finance Corporation in addition to departmental loans by executing a second mortgage in favour of the HBFC.

Another important decision, he said, was to appoint a commission to review the working of Local Bodies and recommend measures to improve it further. The commission will submit its report by Nov. 30.

Among other decisions was one which approved setting up of a unit in the private sector to ma-

nufacture sporting rifles, shot-guns and pistols of non-prohibitive bore.

The Cabinet also decided to hand over the urban transport corporation in Lahore and Karachi to the provincial Government by October this year, with a provision that the losses of the two corporations for 1982-83 will be compensated by the Federal Government.

The Information Secretary said the Cabinet also decided that sports in which foul means were deliberately used, such as the recently held international wrestling bouts, should be discouraged and their display on television should not be allowed.

Agency reports add: The new price of Desi cotton will be Rs 420 per 100 kg. while the existing price is Rs 415 per 100 kg. the new price of NT 851 will be Rs 437.50 per 100 kg. while its existing price is Rs 425 per 100 kg.

The new price of B-357 will be Rs 457.50 per 100 kg. whereas its present price is Rs 445 per 100 kg.

The new price of MNH 83, Sar-mast, Qalandri, K-66-69, Delta Pine and MS 32-40 will be Rs 492.50 per 100 kg. whereas their present price is Rs 480 per 100 kg.

The official spokesman said a production of 48 lakh bales as target had been fixed for the next year.

He stated that 31,70,000 bales would be produced in the Punjab and 16,30,000 in Sind.

The Government had decided to encourage private farm.

The spokesman said the Rice Export Corporation would lease six rice mills from the private sector, and also buy paddy directly from the farmers.

He said this year 33,58,000 ton

of rice production was a record, and added that 36 lakh tons had been fixed as target for the next year.

The spokesman said the Cabinet approved the exhibition of a documentary film on Haj on TV and in cinemas, for pilgrims.

The spokesman said the Cabinet approved a Rs. 6 million sporting arms manufacturing project.

He said the project, to be set up in Karachi, would manufacture about 19,000 items of non-prohibitive bore small arms.

The project would have 146 mechanised units, which make the standardised sporting arms in the country, for the first time in the private sector and would generate a Rs. 55 million output, of which Rs. 15 million would be in the form of foreign exchange earned through exporting 40 per cent. of its products.

The Cabinet also condoned the death of Mir Asad Bux Talpur and expressed sympathies for the bereaved family.

The Federal Information Minister, Raja Zafarul Haq, presented to the Cabinet members a "beautifully printed book 'Journey Through Pakistan'. The book would help promote Pakistan's image abroad.

The Cabinet was also briefed by Foreign Minister Sahabzada Yaqub Ali Khan on his recent visits abroad, and it discussed various important aspects of the foreign policy of the country.

The Federal Cabinet today decided to set up a commission to review the working of Local Bodies and suggest steps to improve their efficiency.

An official spokesman, briefing the newsmen after the Cabinet meeting, said that the commis-

sion would be a recommendatory body with the Federal Minister for Local Government, Syed Fakhar Imam, as its Chairman. It would have members from provinces, federally-administered tribal areas, Cantonment Boards and Government officials.

The terms of reference of the commission are:

"The commission will be required to review the working and organisation of Local Councils and the functions and responsibilities presently entrusted to them, keeping in mind the objectives of maximum participation of the local communities in the development effort, and decentralisation of the administration so that local problems are resolved through local effort to the maximum possible extent at the local level.

"The commission will also identify the additional functions and responsibilities, particularly in the field of education, rural health, rural roads and markets, drinking water supply and sanitation, housing and rural industries, that can be transferred to the Local Councils.

"In view of the existing functions and responsibilities of the Local Councils and the additional functions proposed to be entrusted to them, the commission will assess the adequacy of the financial resources available to the Local Councils for the proper and efficient discharge of their functions and responsibilities.

"If the commission feels that the present resources are considered inadequate, it may suggest specific measures as to how the resources could be augmented through the community's own effort and Government sources.

"In suggesting these measures, the commission will, inter Alia, identify the types of taxes which the Local Councils may levy in

their own jurisdiction and the taxes which they should share with the provincial Governments.

The commission will also review the present organisational structure of the Local Councils and their services and recommend measures for their improvement with a view to equipping them to better discharge the functions and responsibilities entrusted to them.

"It will also assess the educational and training needs of Local Councillors and the Local Government personnel and recommend measures to meet those needs.

"In order to ensure coordination between the work done by nation-building departments and development bodies and the Local Councils, and between different tiers of the Local Councils themselves, the commission will suggest the pattern of linkages that should exist between them without causing conflict of jurisdiction or overlapping of responsibilities.

"It will also examine the desirability and feasibility of entrusting to the Local Councils board functions of supervising the activities of such Government departments and agencies operating in the rural areas as directly affect the day-to-day life and welfare of the local communities.

"In order to ensure accountability, the commission may suggest a system of monitoring the performance of Local Councils, both in physical and financial terms and also make recommendations concerning other matters relating to the working, performance and structure of the Local Councils.

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"The commission will be required to submit its report by 10th November, 1962."

NEW ECONOMIC ASSISTANCE AND DEBT RELIEF TO BE ASKED

Karachi MORNING NEWS in English 23 May 82 p 1

[Text] ISLAMABAD, MAY 22 PAKISTAN IS SEEKING 1,350 MILLION DOLLARS IN FRESH ECONOMIC ASSISTANCE AND DEBT RELIEF FROM THE AID TO PAKISTAN CONSORTIUM MEETING IN PARIS ON JUNE 10, IT IS LEARNT.

The aide memoir that Economic Affairs Division Secretary; Ejaz Ahmad Naik; will hand over at a briefing to the Ambassadors from the donor countries tomorrow; reportedly seeks 800 million dollars fresh aid commitment; 400 million dollars in debt relief and 150 million dollars for relief of Afghan refugees.

This represents less than ten per cent increase over last year's aid pledges of 1.17 billion dollars.

Pakistan is also seeking a further one and half year's extension for the debt relief that expires in July this year for the repayment of outstanding debts.

Last relief for one and half years was given to Pakistan in January 1980.

CSO: 4220/32

PROFIT AND LOSS SHARING DEPOSITS FIGURES GIVEN

Karachi DAWN in English 23 May 82 p 14

[Text] Rs. 850 crore have so far been deposited in Profit and Loss Sharing account and the deposits are expected to rise to Rs 1,000 crore (10 billion) by the end of June, this year.

This was stated by the Chairman of Pakistan Banking Council, Mr M.R. Khan, in an interview with Radio Pakistan.

He said that they have made studies into the widening of scope of interest-free banking and several new areas have been defined to accelerate the process of Islamisation of the banking system.

Mr Khan further said that the special task force set up under him for better utilisation of home remittances by overseas Pakistanis has finalised its report. The report he said, takes into account all aspects of the problem.

To a question, he said that figures so far available indicate substantial increase in the home remittances by overseas Pakistanis.

To another question, the Chairman said that 35 cases of fraud and irregularities in banks have been referred to Special Military Court. He said that they have taken a number of measures to eliminate the possibilities of fraud and irregularities in the nationalised banks. A system of reward and punishment has been evolved to improve the banking services, he added

CSO: 4220/30

ECONOMIC RECOVERY 1977-82 ANALYZED

Karachi MORNING NEWS in English 27 May 82 pp 6, 7

[Text]

PAKISTAN has made substantial progress during the last five years in the process of economic revival, financial consolidation, restructuring of the resources, fresh delineation of responsibilities between the private and the public sectors and the reform of the economic system along the Islamic ideals of equity. The economic accomplishments during the period 1977-82 are considered creditable when viewed in the background of crippling combination of a cost-push surge in import payments and the recessionary trends which gripped the major world economies during most part of 1981-82. Also a turn of events in neighbouring Afghanistan which placed the burden of providing for the large number of refugees and for reinforcing the country's defence capability considerably impaired the ability to successfully implement an orderly adjustment policy.

Even so, the record of economic growth, averaging 6.4 per cent per annum, is in sharp contrast with the low profile the economy put up during the years 1970-77, when the growth of GDP averaged a meagre 3.7 per cent per annum. The growth impetus was led by the commodity producing sectors—agriculture and industry—which posted an annual advance of 4.1 per cent, and 9.2 per cent respectively, during 1977-82; as against the rise of only 1.6 per cent and 2.6 per cent during 1970-77.

GROWTH OF GNP

The growth of GNP in real terms inched up from 3.2 per cent in 1973-79 to 6.7 per cent in 1979-80 which was mainly

contributed by a sizeable improvement in the productivity of agriculture and industry sectors. The value added in the agriculture sector grew by 6.7 per cent in 1979-80 as against 3.0 per cent in the preceding year. The large-scale manufacturing sector pulled ahead with a growth rate of 10.2 per cent—more than two times compared with 1978-79.

The trend of economic recovery, initiated in 1977-78; continued through 1980-82. During this period the GNP has been estimated to rise by 5.7 per cent and 6.0 per cent respectively, reflecting a respectable upsurge in agriculture and industrial output, in particular the bumper wheat crop obtained during 1980-81. Even though some loss in production during 1981-82 has been reported due to inclement weather, the growth of output of major crops appears to be satisfactory.

The pace of agricultural growth during the last five years (1977-82) represents a steady all-round progress particularly in respect of major crops. The average annual growth experienced was 4.4 per cent. The value added in agriculture climbed by 2.6 per cent in 1977-78, by 3.00 per cent in 1978-79; a hefty 6.7 per cent in 1979-80 and 4.0 per cent in each of 1980-81 and 1981-82. The spectacular growth in production meant a breakthrough from a period of stagnation experienced during most part of 1970-77 period.

Substantial increases were recorded in the output of all the four major crops. Wheat production was likely to reach a level of 11.20 million tons in 1981-82, compared to 9.14 million in 1978-79. During the same period the sugarcane production rose from 29.5 million tons to 34 mil-

lion tons, cotton from 2.4 million bales to 4.2 million bales and rice from 2.7 million tons to 3.2 million tons. The country has hopefully attained self-sufficiency in the production of foodgrains.

The encouraging performance of the farm sector showed that the Government's policy package had been successful. This included measures like provision of subsidies on critical inputs, rationalization of price support mechanism, timely and adequate availability of essential inputs; extension services, timely lifting of surplus produce, etc. These lent themselves to expanding acreage and raising sharply the yields of major crops.

The near stagnation in the growth of industrial production which persisted during 1973-76, was overcome in 1978 when the finished goods in the manufacturing sector increased by 3.2 per cent. This important area of the national economy has, on an average, been able to achieve a growth rate of over 9.2 per cent throughout the last five years—the annual growth being 4.6 per cent in 1978-79, 10.2 per cent in 1979-80, 9.9 per cent in 1980-81 and an estimated 12.0 per cent in 1981-82.

Increases were registered in almost all the industries with the exception of mill-made cloth where the production went down as weaving looms and cloth output have been transferred to the small-scale, non-mill sector. Of late there are, however, signs of pick up, which would be strengthened with higher level of export of cloth to Iran and Middle Eastern countries. During 1981-82, the production of sugar, fertilizer and cement have increased substantially, while the production of certain intermediate products from Pakistan Steel Mill has entered the market, thereby pushing the growth rate further to 12 per cent.

However, the notable industrial progress did not resolve certain deficiencies accumulated in this sector. Low productivity, outmoded technology, relative loss of competitiveness, shortage of skilled manpower and lack of research; for instance, presently characterised several industries and firms. Along with the need for improving industrial productivity and efficiency, it was essential to diversify the national exports, to move progressively towards higher stages of value added and develop the capability to penetrate new markets, side by side retaining the existing mar-

kets in the present recessionary environment.

Prior to 1979-80, the public sector industries were showing declining trends in production and profitability. A breakthrough was made in 1979-80 when production index (1972-73=100) touched a new peak of 131.81. Consequent upon increase in production, the net sales increased to Rs. 13 billion from Rs. 8 billion in 1978-79 and pre-tax profit increased to Rs. 587 million in 1979-80 from Rs. 19.9 million in the preceding year.

During 1980-81, the production of public enterprises increased by 1 per cent net; sales went up to Rs. 15 billion and the pre-tax net profit to Rs. 746 million.

The level of improvement in the performance of public enterprises since 1977 will be amply demonstrated by the behaviour of the production index. It rose by only 54.7 per cent, during the first four years after nationalization. It has, however, increased by 105.02 per cent during the last four years since assumption of responsibility by the present Government in July, 1977.

In money terms, the total gross investment has more than doubled in 1981-82 from a level of Rs. 27.43 billion in 1976-77. As the economic recovery programmes of the Government went into full swing, there has been a quantum jump in the gross investment since 1979-80. The expected level of investment in the economy during 1981-82 is Rs. 56 billion compared to Rs. 40.86 billion in 1979-80 and Rs. 30 billion in 1977-78. The composition of investment has also recorded a policy-oriented change in favour of private sector, though the magnitude of change is not very significant. A cumulative growth of 109.3 per cent has taken place in the private investment during the last five years, compared to 72.9 per cent in the case of public investment. The private investment now contributed nearly 33 per cent to the total fixed investment in the country compared to less than 30 per cent in 1976-77. The share of public investment has accordingly declined to 67 per cent as against 70 per cent five years ago.

PUBLIC SECTOR GROWTH

The public sector development rose by 16 per cent per annum in current prices. This growth implied a real growth of about

5.5 per cent which is somewhat below the growth of real GDP during this period. The policy all along has been to accommodate essential projects. During the recent past, a reorientation of public sector investment priorities has been attempted within the framework of the existing Fifth Plan with the aim of giving an edge to agriculture, energy and social sectors like education and health.

During the last few years, several steps were taken to improve the investment climate in the private sector, particularly in the industrial sector. Consequently, the gross investment in the private sector as a whole has increased to about Rs. 16.34 billion in 1981-82, compared to only Rs. 7.79 billion five years ago. The major increases have taken place between 1978-79 and 1981-82, and reflect a revival of investment activity.

The major fields of private investment are industry, agriculture; transport and communications; housing and services. The current shares of these sectors are 19.8 per cent, 19.5 per cent; 12 per cent, 26 per cent and 13 per cent, respectively. The industrial investment registered significant improvements since 1976-77, rising to Rs. 3.78 billion in 1980-81 from 2.10 billion in 1976-77. The agriculture sector accounted for Rs. 1.60 billion in fixed investment in 1976-77 which increased to Rs. 2.78 billion in 1980-81. The current level of investment in housing was Rs. 3.78 billion or 26 per cent of the total investment in the private sector.

The Fifth Plan (1978-83) had provided for an industrial investment of Rs. 19.0 billion. During the first four years of the Plan the actual fixed investment was of the order of Rs. 11.85 billion, compared to Rs. 1.31 billion achieved during 1970-75 period. In the terminal year of the current Plan, a dramatic acceleration in this field can be anticipated in view of increased incentives, improved policy package and the keen interest shown by overseas investors.

The financing of gross investment has also registered a notable improvement in favour of national savings over the last five years. These now financed 91 per cent of the total investment compared to 62 per cent in 1976-77. On the other hand, the external resources contributed 9 per cent to the total investment financing as against 30

per cent five years ago. During 1981-82, this composition is likely to change a little as reliable data on the subject emerged.

FISCAL POLICIES

There has been a steady improvement in the field of public finance management. Government revenue receipts in 1981-82 implied an annual compound growth of 19.7 per cent over the level of 1977-78. On the other hand, the corresponding increase in non-payment expenditure was 15.2 per cent in nominal terms. Excluding the unavoidable expenditure on defence and debt servicing, current expenditure grew at an even lower rate. The distortions caused by subsidies have been substantially removed through periodic adjustment in prices of the concerned goods and services. The expenditure on subsidies has declined from about 12.5 per cent of non-development expenditure in 1978-79 to 5.3 per cent in the current financial year. Self-financing by public sector institutions increased five-fold over a period of four years.

These improvements were the result of a prudent fiscal policy which aimed at raising additional resources through taxation and pricing measures without affecting the objective of stimulating investment and production.

The fiscal balance was improved as revenue growth significantly outpaced expenditure growth and a public corporation contributions increased notably. The strengthening and consolidation of public finances not only induced fiscal responsibility but also contained inflationary pressures by curbing aggregate demand on the one hand, and stimulating larger production on the other. With a view to restructuring and re-directing government outlays it was decided to trim the government operations to bring them within the bounds of its financial and managerial resources. Simultaneously, steps were taken to revive and fully utilize the potential of private enterprise to serve the public good.

Government revenue rose by 113.5 per cent between 1976-77 and 1980-81, contribution of autonomous bodies went up by 377.3 per cent. The rise in revenue has been substantially faster than the rate of increase in GNP. This was due to (i) the growth of domestic output

and incomes (ii) increase in dutiable imports, (iii) raising of rate rates, (iv) improving tax collections, and (v) reducing tax evasion.

During 1977-82, the administration of income tax was improved by extending self-assessment and by re-deploying staff from tax assessment to the survey and investigation of potential tax-payers. As the tax collection machinery was generally strengthened, the income tax laws were simplified.

MONETARY AND CREDIT POLICIES

Containing inflationary pressures has been a major objective of monetary and credit policies during 1977-82. The rate of monetary expansion has been 14.7 per cent in 1976-77 to 14.7 per cent in 1978-79 to 14.7 per cent in 1980-81, with a similar order for the current year. The slowdown in monetary expansion has been achieved by a substantial reduction in government borrowings both for budgetary support as well as for commodity operations. Bank borrowing declined by 60.8 per cent and their combined share in ADP financing shrank from 83.5 per cent in 1976-77 to 46.6 per cent in 1980-81.

BALANCE OF PAYMENTS

The increases in agricultural and industrial production reinforced by policies for promoting exports and restraining imports helped in bringing about a major improvement in real indices pertaining to international trade. Export receipts, which had more than doubled between 1976-77 and 1979-80, rose again by 23 per cent, during 1980-81. Over the previous four years exports went up at the rate of 25 per cent mostly due to volume gains, which are well ahead of the Fifth Plan targets. Besides, the impressive increases were attributed to (i) higher export prices, (ii) fiscal incentives and (iii) export promotion measures. The good performance of the export sector during 1980-81 was particularly creditable in a world environment of stagnating international trade and growing recession and protectionism.

Import payments during the last four years rose by about 23 per cent a year. Most of this increase was related either to the price rises, particularly in the case of POL products or to the relaxation of controls on in-

dustrial raw materials imposed in 1979-80. During the current year, export earnings are likely to show a decline over the previous year due partly to international recession and the short-term effect of delinking of rupee from dollar in the later half of the year. The import payments are expected to show a marginal increase over 1980-81. The expected trade deficit during the year will be about Rs. 30-31 billion compared to Rs. 14.83 billion in 1978-79, despite sizeable export growth. The rising level of home remittances during this period, however, reduced the current account deficits to Rs. 11.26 billion in 1978-79, and further to Rs. 9.61 billion in 1980-81. Due to slow of exports and the "invisibles" balance during the current year, the deficit is likely to against amount considerably.

The current account deficits had to be met from inflow of aid and loans, short-term credits, IMF funds and draw-down of reserves. Pakistan was able to negotiate and obtain during 1980-82 substantial medium-term credits from IMF. The Extended Facility of IMF also facilitated rescheduling of certain debt payments which permitted a fairly comfortable balance of position. As a result of these developments, the country's foreign exchange position remained satisfactory.

Pakistan's recent performance in the sphere of balance of payments is best illustrated by com-

paring the situation with other non-oil developing countries. Between 1977 and 1980, the export of non-oil developing countries increased by 80.4 per cent, their trade deficit by 134.1 per cent and the current account deficits by 143.9 per cent. Between 1976-77 and 1979-80, the corresponding figures for Pakistan were exports up by 106.8 per cent, trade deficit by 87.9 per cent and current account deficit by 6.3 per cent.

A review of the economic resurgence during the last five years would not be complete without briefly recounting the efforts made by the Government to reform the economic system along the Islamic injunctions of enforcing equitable socio-economic order. The objective of the Government policy has been the introduction of laws, policies and instruments for recasting the economy in the mould of Islamic welfare precepts. Substantial advance has been made in the introduction of Zakat and the phased conversion of banking operations to an interest-free system. The Zakat and its distribution, which would soon be entering its third year, was now well entrenched and fully operative. Specialised investment banking institutions had transformed their operations to an interest-free system and profit and loss sharing counters had been opened in all branches of the nationalised commercial banks.

POULTRY INSTITUTE TO START WORKING SOON

Karachi DAWN in English 23 May 82 p 7

[Text]

ISLAMABAD, May 22: Bigger, better, healthier birds and eggs — and possibly cheaper — is the aim of the Rs 23 million Poultry Research Institute (PRI), which plans to go into full operation by the end of June.

The research facilities at the PRI to be located near Faizabad in Rawalpindi, and its associated demonstration unit is being completed with Rs 10.5 million assistance from United Nations Development Programme (UNDP). "It will prove to be a milestone in the development of poultry in the country and stabilise prices of poultry products," officials claim. They say the country has reached a stage in the field of poultry farming, and installation of processing units has become "indispensable for operating the poultry industry and keeping it viable."

The PRI has five sections, breeding, nutrition and food testing, a poultrydisease research centre, marketing and processing and poultry extension where studies will be carried

out. It will also train private persons so that they can run the industry on scientific lines.

The processing unit has a capacity to clean, cut and package 200 birds an hour. The PRI will have a storage facility for 30,000 birds. The smallest processing unit will process 500 birds an hour with storage facility for 50,000 birds, which will be commercially viable.

The Government is giving incentives to attract private sector to invest in poultry. Import of all the machinery is duty free, it pays no Income Tax and Sales Tax. Loans from the Agricultural Development Bank of Pakistan (ADBP) are also available.

So far, the ADBP has sanctioned a Rs 9 lakh loan for a processing unit to be set up at Lahore for its operations. Four more businessmen have prepared feasibility plans on the basis of the guidelines of the processing unit of PRI and are applying for ADBP loans.

CSO: 4220/29

STEPS TO BRING DOWN LENTIL PRICES

Karachi MORNING NEWS in English 22 May 82 p 8

[Text]

ISLAMABAD, May 21: Presidential Adviser on Business Coordination and Internal Trade Sheikh Ishaq Ali said here today that special arrangements had been made to bring down and stabilise prices of pulses.

He told APP that sufficient stocks of pulses were available in the country and an adequate quantity was also being imported. He said 100,500 tonnes of pulses of various varieties had been imported while a ship would reach Karachi on May 27, with 80,000 bags of pulses each bag carrying 100 kilograms.

He said some black sheep in the trade of pulses had tried to create an artificial scarcity by hoarding and black-marketing. But Sheikh Ishaq Ali said the price declined by Rs. 30 per bag within 24 hours of an advertisement offering pulses at reasonable rates.

The Presidential Adviser said a businessman from Karachi who tried to supply pulses on much lower prices failed to get a single order from the local market which proved that local

traders had enough stocks.

He asserted that if the prices of Channa and Masoor were not brought down to Rs. 8.00 and Rs. 8.50 per kilo respectively by the local traders according to a pre-arranged programme in addition to supplies through utility stores and PASSCO, a number of stores of pulses and Basen would be opened in Rawalpindi and Islamabad.

He said some more steps were contemplated but would be announced later to ensure reasonable rates and sufficient supplies.

Sheikh Ishaq Ali said some importers of pulses had so much stocks with them that they were even ready to make supplies on three months credit.

He also said that steps had already been taken to arrange supply of Basen on Rs. 8.00 a kilo throughout Ramadan. Usually prices of Basen remain sky high in the month of Ramadan the Adviser added.

He said the present Government was determined to take any step to solve problems of consumers.

CSO: 4220/29

GULF-PESHAWAR DIRECT FLIGHT FACILITIES INSPECTED

Karachi DAWN in English 24 May 82 p 6

[Text]

PESHAWAR, May 23: Mr. Salim Saifullah Khan, NWFP Minister for Finance and Industries on Saturday paid a surprise visit to the International Wing of Peshawar Airport to see the arrangements and facilities for the passengers proceeding to the Gulf states for employment.

The Minister inspected immigration, Health and Customs counters and talked to the passengers about their problems and the facilities available for them. It was pointed out to the Minister that clearance at the counters was very slow and the space provided at the Arrival Lounge was not enough to cope with the increasing number of passengers from various Gulf states arriving by direct flights.

The Minister later held a meeting with Customs, Immigration, Civil Aviation and PIA officials and advised them to ensure maximum facilities to the passengers.

The Minister stressed the need for quick disposal and finalization of formalities at various counters and advised the Custom authorities to be

more cooperative with the passengers during the Customs checking, especially at the time of departure.

Earlier at the Departure Lounge, seas employees and it was the policy of the Government to ensure proper care in handling their baggage and that the staff cooperated with them.

Weekly international flights from Peshawar to Gulf states are being introduced. From June 1 three weekly PIA services are being increased on this route which includes an Airbus on Peshawar-Daubai-Abu Dhabi-Karachi and two Boeing flights on Peshawar-Sharjah and Peshawar-Dubai routes.

Mr. Salim Saifullah Khan met the passengers who were about to board a PIA flight for Abu Dhabi and told them the Government had taken concrete steps to provide facilities to over-

With the introduction of the new services, direct flights from Peshawar to Gulf States will be available for more than one thousand passengers every week.

CSO: 4220/33

BANKING COUNCIL TAKES MEASURES TO PROTECT REMITTERS INTERESTS IN GULF

Karachi BUSINESS RECORDER in English 23 May 82 p 8

[Text]

DUBAI, May 22: Banks in Pakistan are understood to be refusing to accept drafts of public remittances issued by those exchange houses which have not yet been able to meet stringent new financial security requirements set by Pakistan's Banking Council (PBC) last week aimed at safeguarding banks' interests and the transfer of money.

According to 'Khaleej Times' exchange houses, particularly those operating in the Gulf, have been required under a PBC decision to revise agency agreements with correspondent banks. Under the new arrangements, some of which are understood to have already been concluded, the exchange houses have had to obtain 'proper securities' such as open-ended financial guarantees which are intended to cover drawings in case of default.

Obtaining such securities has been relatively easy for exchange houses which are managed by banks or are subsidiaries of banks. But a number of independent concerns have clearly not been able to make the revised arrangements which call for the maintenance of substantial covering deposits or guarantees in lieu so as to ensure the security of corresponding remittances.

As a result a number of remitters in the Gulf (including Dubai) who had transferred money through 'excluded' exchange houses have had their drafts sent back with the notation that they are not covered by adequate funds.

A reliable banking source told 'Khaleej Times' that the best recourse for the recovery of the shorted remittance in such cases would be for the remitter to obtain a refund from the exchange house and re-transmit the money through a recognised safe channel.

Banking authorities in Pakistan

are understood to have taken these precautionary and corrective measures in response to a major crisis caused by the collapse two months ago of an exchange house in Qatar and a leading establishment in Dammam, Saudi Arabia.

While the Qatar firms collapse caused losses estimated at several million dollars to five leading Indian banks, the failure of the Dammam company is reported to have set back a Pakistani bank by Rs. ten million, 'Khaleej Times' said. In both cases the affected banks had been honouring cheques and drafts issued by the two exchange houses in anticipation of covering funds which did not materialise.

The requirement of an open-ended guarantee by the Pakistan Banking Council will, it is presumed, secure further remittances against the obvious dangers.

The Pakistan authorities are understood to be notifying its embassies and consulates of the names of exchange houses which have been able to meet the new requirements, and have revised agency agreements with correspondent banks. The expected publication of such a list would facilitate public choice of the channels of remittances of which exchange houses continue, despite the recent crisis, to be an important part.

One immediate consequence of the Pakistan Banking Council's decision has been a sharp decline in remittances handled by an estimated 100 exchange and finance companies in the UAE and many more elsewhere in the Gulf. The range of operations of some of these, pending qualification under the new arrangements, has therefore been reduced to handling remittances to Egypt, Bangladesh and Sri Lanka, 'Khaleej Times' said.

EXPORT PROMOTION BOARD DECISIONS TO BOOST EXPORT OF ENGINEERING GOODS

Karachi DAWN in English 26 May 82 pp 1, 20

[Article by M. Ziauddin]

[Text]

ISLAMABAD, May 26: The Federal Export Promotion Board, which met here today with President Gen Mohammad Zia-ul-Haq in the chair, has decided to allow generous fiscal concessions to engineering goods industry in order to provide it with a sound domestic base.

Besides the usual concessions allowed to export trade, the engineering goods industry has been allowed further liberalisation of compensatory export finance, and suppliers credit scheme, under which it has been allowed credit at 2 per cent for 124 years. Vendor industries have been allowed the same duty exemptions as are available to principal manufacturers.

Besides, the local supplies of intermediate and finished goods will be allowed the same duty concessions, as are available to those projects, organisations and areas to which these units supply the material. Also, if a local unit has a firm plant exporter order, it will be allowed duty-free imports of raw material. At present, export rebate is given after the order has been supplied.

FISH, FISH PRODUCTS

The Board today discussed the problems of the engineering goods industry and fish and fish-products industry and took a number of decisions to improve their performance.

In respect of fish and fish products, the Board decided to constitute a committee, which has been assigned the task of expediting the establishment of Karachi Fisheries Port Authority and to improve the management

of Karachi Fish Harbour.

The EPPB has already drawn up a national policy for exploiting deep water fishing. According to this policy, four joint ventures, with foreign firms have been allowed to fish within Pakistan's economic zone, but not closer than 33 miles to the coast. Besides, a marine development project has been taken in hand with the assistance of Asian Development Bank. The project will especially devote itself to the task of rehabilitating the Karachi Fisheries Port.

EXPORTS FALL

Mr Ishaq Haq, Federal Secretary, Commerce, who briefed the Press after an eight-hour meeting of the Board, conceded that Pakistan's exports during the 9 months, ending March, 1982, have suffered a sharp decline, especially in the rice and cotton commodity sector. He said, the decline occurred mainly due to the fact that the country had low stocks of rice and cotton at the start of the financial year, as compared to the stock position of the two items at the beginning of previous financial year.

EXPORT PERFORMANCE

Addressing the newsmen after the Board's meeting, the Federal Commerce Secretary told newsmen that the decision of the Board to accelerate exports will be incorporated in the federal Budget for 1982-83.

President Zia-ul-Haq emphasised the need to boost country's exports and asked the exporters not only to maintain the quality but further improve the quality of the exportable products.

He asked the exporters to project Pakistan through their products and directed that "Made in Pakistan" be prominently displayed on the items which are exported.

The Board was informed that country's exports during the first nine months of the current fiscal year, totalled Rs 17500 million against Rs 21300 million during the corresponding period of 1980-81.

The Commerce Secretary said the country exported 4,81,000 tons of rice during the first nine months of the current financial year against 6,94,000 tons in the corresponding period of 1980-81. Similarly 4,90,000 bales of cotton were exported during the first nine months of the current financial year, against 8,80,000 bales in the corresponding period of 1980-81.

Mr Ishaq Haq said if we exclude rice and cotton, our exports, during the period under review, registered a slight increase. The exports totalled Rs 12070 million against Rs 11300 million in the same period in 1980-81, showing a rise of 6.7 per cent.

He said the export of carpet also registered decline, due to recession in the international market. However, he said, as soon as the recession is reduced, export of carpet will rise.

CARPET

During the first nine months of the current financial year the export of carpet totalled Rs 1280 million against Rs 1720 million during the same period in 1980-81. He said the government has already given a number of incentives to flourish the carpet industry.

The Commerce Secretary hoped that like the last quarter of the current fiscal year exports would pick up momentum at a faster pace to make up the shortfall in the balance of the first three quarters.

The Commerce Secretary disclosed that the Board decided to draw up an export publicity campaign with a view to introduce Pakistan's products abroad. Under the campaign, all media will use special documentary films. Film slides, music, calendar,

etc., would be prepared to launch the campaign. It will also help to create awareness among the local people about the products being produced in Pakistan.

A committee has been formed to draw up the programme of export publicity with Vice-Chairman, Export Promotion Bureau, as its head. The committee comprise of government officials and representatives of exporters.

The Board decided to strictly enforce the law to check the malpractice in the export business. In this connection, the concerned chamber will build pressure on the exporters and he will be exposed to the public.

SHARP RISE IN IMPORTS

The Board also reviewed the imports of the country and noted that there is sharp increase in imports of milk powder and secondhand clothings. It was decided to ask the secondhand clothes importers not to import unnecessary clothings.

With regard to the export of fish and fish preparation, the Board noted with satisfaction that its exports registered increase and hoped that the export by the end of the current financial year will total Rs 800 million. It emphasised that fish production be increased and its market be diversified. It also reviewed the on-going projects for the promotion of fish industry.

SERVICE TO AFRICA

The Board was informed that National Shipping Corporation has started regular shipping service every month to three African countries, to expand its cargo service to those areas.

The Board's meeting was attended by Federal Ministers, Adviser to the President on Business Coordination and International Trade, Chairman Export Promotion Bureau, Governor, State Bank of Pakistan, concerned Federal Secretaries, representatives of chambers of Commerce and Industry, Federation of Pakistan Chambers of Commerce and Industry, All Pakistan Textile Mills Association, Cotton Ginners Association, Managing Directors of PIA and PNSC and KSEW, Chairman, Banking Council, and representatives of public sector industries.

CONCERN VOICED OVER DECREASE IN EXPORTS

Karachi DAWN in English 28 May 82 p 9

[Text]

SIALKOT May 27: The Sialkot Association of trade and industry fears further decrease in export if immediate steps are not taken to overcome the problems being faced by various industries.

Commenting on the statistics announced recently the Government, Mr. A.D. Bhutta, chairman of the Association, said that exports from Pakistan had declined by 16 per cent during the last eight months as compared with that in the corresponding period in 1980-81. He said this had created an alarming situation.

Suggesting measures for reversing the declining trend in exports, Mr. Bhutta said tax holiday should be granted to Sialkot industrialists. He said export would increase if an export processing zone was established in Sialkot which had all essential ingredients for its successful functioning. He further said that incentives and facilities, allowed in the case of carpet industry, should also be extended to sports goods, surgical instruments and other export-oriented industries. This would help them boost exports.

Mr. Bhutta said corporate tax be brought down to 40 per cent and surcharge be abolished.

He demanded that total export income should be exempted from taxation.

CSO: 4220/40

CEMENT SUPPLY TO NORTHERN AREAS DOUBLED

Karachi DAWN in English 26 May 82 p 3

[Text] RAWALPINDI, May 25: The cement supply to the Northern part of the country, which included NWFP, the Hazara division and the Rawalpindi, Islamabad was raised upto 60,000 metric tonnes per annum, as compared to 30,000 during previous years.

Informed sources said here on Monday that there was no shortage of cement in the region, and the raised production, enabled the authorities to multiply the number of agencies to facilitate the public.

At present, about 360 agencies were working to meet the demand. Their number would be increased upto 400 in the near future, to ensure the availability of the cement at every corner.

Two more units of three lakh production capacity per year each would start functioning at Kohat and Dandot by the end of December, which would flood the market with cement.

The present production was based on stable footing and it was the main reason that Mustehakam Cement was providing excellent service to its marketing zone, it was added.

The Corporation was determined to maintain the target of production and to ensure desired results "oil firing equipment" was installed in its units. The equipment was the best stand-by arrangement, to carry on production in case of gas shortage, although its cost was heavy.

The other reasons of maintaining the production target were that the workers and officers, engaged by the corporation were, competent, well off and co-operative. Even than a complaint cell was set up and surveillance staff appointed by the Corporation to solve people's problems, if noticed.

CSO: 4220/35

PRIVATE SECTOR PLEADS FOR SHARE OF COTTON EXPORT

Karachi DAWN in English 26 May 82 p 10

[Text] The President of Karachi Chamber of Commerce and Industry and the Karachi Stock Exchange have requested the Government to allow private sector to participate in the export of cotton for healthy competition, between the private and public sector for the greater benefit of the country.

Haji Razak Janoo, President Chamber of Commerce and Industry, Karachi, and Mr Bashir Jan Mohammad, President of Karachi Stock Exchange, in a joint statement on the recent controversy between the Karachi Cotton Association and the Cotton Export Corporation of Pakistan said: "We are, indeed, surprised on the stand taken by the Cotton Export Corporation on certain comments made by the Cotton Association in respect of the performance of the former.

"It is all the more shocking that the Cotton Association has been asked to tender an apology for their certain remarks, which were based on an independent study conducted by the Association. The issue should, therefore, have been confined to an academic debate and treated as closed following the rejoinder issued by the Corporation itself.

"In fact, this attitude of the Corporation amounts to an interference in the performance of legitimate functions by the Cotton Association. The very objective of the trade organisations is to safeguard the interest of their members, of course, in the larger interest of the country. As such, the Cotton Association whose one function is to deal with matters connected with efficient marketing of cotton, has every right to make of an agency, dealing with the export of cotton. These comments should not be termed as defamatory.

"It is customary that the Chamber, Stock Exchange and other trade bodies examine the Government's various economic policies as well as performances of its organisations and make constructive comments and suggestions motivated by larger national interest. However, if the approach like the one adopted by CEC is followed by other Government sponsored organisations and public enterprises, we are afraid the trade bodies would not be able to ventilate their genuine grievances and to perform their rightful functions.

"We would, therefore, appeal to the Government to discourage such tendencies and close the controversy on export of cotton, particularly when the present Government is committed to promote the cause of the private enterprise. Needless to emphasise that our comments and criticism on the Government policies and its sponsored organisations are always constructive and intended to bring about improvements in various segments of national economy"

WATER SCARCITY IN KARACHI CRITICIZED

Karachi DAWN in English 27 May 82 p 9

[Text] WHILE the shortage in overall supply of water to the city persists, disturbances within the supply and distribution systems pose a serious threat to how much water citizens are going to get. These disturbances range from disrupted electricity supply to broken down motors, and include such factors as leaking or broken pipelines, and silt or blockage due to other causes. The dividing line between some water and grave scarcity is very thin indeed, which Karachiites are aware of, and which uncertainty does much to increase their irritability and dissatisfaction. Currently, some of these disturbances have reduced the supply of water to the city, further aggravating a serious shortage due to inadequate supply.

There was a reduction of five million gallons on Tuesday in the supply normally received at the COD Hills Reservoirs. Some reports have put this fi-

gure as high as seven and a half million gallons. What is really disturbing, though, is the reason for this shortfall. A number of them have been mentioned: a leak in the pipeline near the University, possible blockage of a tunnel, and excess drawing by 'unidentified' consumers between Gharo and COD Hills.

Perhaps the most serious of these, because of future consequences, and which really terrifies the citizens, is the leak in the pipeline near the campus. This particular section of pipelines has broken down so often that people can ask quite legitimately why replacement has not been undertaken. It had been hoped that after the difficulties of the past few years, when water supply was drastically reduced because of leaks in this section several times, officials would wake up and take remedial action. As it is, there is expected to be a severe shortage of water this

year and if, on top of it, supply is disrupted because of leaks in this section, the situation will be hazardous. It had been hoped that during the winter, when there is less demand for water, repair works of a permanent nature would be undertaken, but once again Karachiites were let down. True to form, a leak of a million gallons daily has developed in Syphon 19 at the time of a heat wave, and there is no knowing when this will turn into a full-scale rupture. Pipeline maintenance, incidentally, needs to be taken up not only in this section, but elsewhere also. The entire First Phase pipeline, for instance, has outlived its predicted life span, and must be existing on a prayer only by now. Other pipelines, which supply water to certain areas, have also broken down at times. It is for the relevant staff to determine which are the weak points, and take up a plan for replacement and repair.

ROLE OF AGRO-BASED INDUSTRY EMPHASIZED

Karachi DAWN in English 28 May 82 p 9

[Text]

LAHORE, May 27: Syed Fakhar-i-Imam, Federal Minister for Local Government and Rural Development has said that development of the rural areas is the corner-stone of the present regime.

In his inaugural address at a seminar on Food and Beverage here on Tuesday he said that stress should be laid on agro-based industry in the rural areas for their development, as well as to provide the rural population chances for employment.

He said that 70 per cent of population lives in rural areas and the progress of these areas means the development of the country.

He said that during the last five years 12,000 villages were provided electricity by the regime which was much more than the power ever supplied by any past Government.

He said that the Government had evolved a programme to associate the rural population in the rural development projects. They will be taken into confidence at every stage. It was due to

their efforts that our country was now self-sufficient in food and it was undoubtedly a remarkable achievement on the part of the rural population. He said that during this year our villages gave heartening production of sugar, rice and other foodstuff which had made the country self-sufficient in food and other agriculturereal products.

The Minister called upon the Pakistan Institute of Chemical Engineers to step forward for the marketing and processing of fruit, vegetable and mangos so as to provide incentive to poor farmers for growing more vegetable and fruit.

The Minister said that it was our duty to train the rural population so that they could be beneficial for processing industry which was an agro-based one. He said that the Government was keen in agro-based industries to be set up in rural areas for which the Government was providing infra-structure.

He said another important thing to be provided was industrial management but it was lacking here.

CSO: 4220/40

EEC TEXTILE EXPORT QUOTAS REPORTED FIXED

Karachi DAWN in English 28 May 82 pp 1, 20

[Article by Shadaba Islam]

[Text]

BRUSSELS, May 27: Pakistan's major textile exports to the ten European Economic Community (EEC) countries will be allowed to increase by about 0.5 to 5 per cent annually over the next four years, EEC sources revealed in Brussels on Wednesday.

Quotas for the six major textile items exported by Pakistan to the EEC, under the terms of the Multifibre Arrangement (MFA) were fixed in Brussels on May 21, following five days of discussions between a high-level Pakistani delegation and the EEC Executive Commission. A voluntary restraint agreement was initiated at the end of the talks.

Quotas for Pakistani textile exports to the EEC in 1983 are as follows:

- Cotton yarn: 7,250 tonnes (growth rate of 0.5 per cent)
- Cotton cloth: 20,437 tonnes (growth rate 0.5 per cent)
- T-shirts: 8,213,000 items (growth rate 4 per cent)
- Pullovers: 2,131,000 items (growth rate 5 per cent)
- Men's shirts: 1,902,000 items (growth rate 2 per cent)
- Terry towelling: 1,000 tonnes (growth rate 5 per cent)

Sources in Brussels stressed that Pakistan's demand for changes in regional quotas will be studied by EEC Ministers in

the coming months.

TALKS WITH INDIA

EEC experts were currently in the process of negotiating their voluntary restraint agreement on textiles with India, following the signature of pacts with Sri Lanka and Pakistan. The negotiations with India were reported to be quite difficult, because of Indian demands that their exports of handloom products be allowed duty-free entry to the EEC.

Indian handlooms are marketed as though they were produced industrially and as such, have disrupted the textiles market in the EEC, said one European official in Brussels. There are indications, however, that the quota for handlooms eventually offered to India, will be relatively "generous", although strict surveillance measures will be introduced by all EEC States. A second negotiating round is expected later this year.

Negotiations with the so-called dominant suppliers, including Hong Kong, Macao and South Korea, are expected to be even tougher. All the three countries are expected to fight hard against EEC plans to cut-back quotas by 10 per cent and to limit growth in even the less sensitive sectors. Negotiations with Hong Kong open in Brussels on June 1.

MINISTER CALLS FOR SIMPLIFIED FARM CREDIT SYSTEM

Karachi DAWN in English 28 May 82 p 20

[Text]

ISLAMABAD, May 27: The Federal Minister for Food and Agriculture, Vice-Admiral Mohammad Fazil Janjua, on Thursday urged the bankers to evolve a simplified and effective credit system to ensure judicious use of agricultural loans.

The Minister was inaugurating a seminar on "Agricultural Policies-Growth in Agriculture Sector", organised by the National Bank of Pakistan here at a local hotel.

He said President Mohammad Zia-ul-Haq has directed that agriculture sector should be assigned top priority and expeditious steps should be taken to increase production and boost productivity in the country. He said that government is doing its utmost to raise the quality of life of the people of rural areas.

He said that the bankers should play their effective role in transferring technology to the farmers. The Minister said that 85 per cent of our land was still being ploughed by bullocks.

He said that agriculture was the major industry of the country, and development of this sector was essential for the overall development of the country.

AGRARIAN POLICIES

Vice-Admiral Mohammad Fazil Janjua said that the government was re-orientating its agrarian policies to develop the country's agricultural potential. He said more attention will be focussed on small farmers by encouraging them to adopt the fertilizer technology and by providing them interest-free credit facilities besides other inputs at his door steps.

The Food Minister said government will ensure that the farmer gets reasonable reward for his labour and investment.

Marketing system, he said, will also be devised to suit his problems and needs.

Analysing the results of the new strategies adopted by the government, the Food Minister said that some headway had been made and the growth rate had moved up from two per cent to more than 4 per cent during the past four years. In that period, the Minister said, the country has had a record production of wheat that is 11.475 million tons, cotton 4.4 million bales, rice 3.34 million tons, maize 6.847 million tons and sugarcane 34.568 million tons.

EXPORT POTENTIAL TO M.E.

He said that despite adverse weather this year, Insha Allah there will be enough to meet the nation's food requirements. Any shortfalls would be met from food reserves, he added.

Admiral Janjua said another salient feature of the agriculture development was our potential to export to Middle East. He suggested more concentration on increasing surpluses of both primary commodities as well as processed foods.

He urged the participants to suggest ways and measures how farmers' risks can adequately be taken care of.

The Minister said: "We have to have a very sound agricultural credit base, which not only meets the needs of farmers for crop cultivation, but also for poultry, livestock and fisheries development as well as for processing of agricultural produce, particularly fruits and vegetables, which, due to their perishable nature are sometimes a cause of great loss to our farmers."

INSTITUTIONAL CREDIT

Earlier, Mr M. Nawas Khan, President, National Bank said.

that in accordance with the government policy to increase the availability of institutional credit to the farmer and thereby diminish his dependence on traditional sources of credit, the commercial banks have been allocating ever-increasing resources to the agricultural sector. The share of commercial banks in agricultural credit has gone up from Rs. 1200 million in 1977-78 to Rs. 1830 million in 1980-81. The target for the current year that is 1981-82, is Rs. 2700 million. The credit provided by National Bank of Pakistan has gone up from Rs. 364 million in 1978-79 to Rs. 588 million in 1980-81. Current year's target is Rs. 628 million. The growth of credit is quite impressive, but we have a long way to go before all the credit needs of the farmers could be met through institutional credit.

The Government and the State Bank now desire that all agricultural lending should be under the supervised credit schemes. Mr Nawaz concluded.

CSO: 4220/40

MORE EXPERTS TAKE UP TOKTEN ASSIGNMENTS

Karachi DAWN in English 27 May 82 p 10

[Text] Five more overseas Pakistani experts have taken up short-term consultancy assignment in Pakistan, ranging from three to five weeks, for the implementation of Pakistan's current five-year plan, under a UNDP project, known as "TOKTEN" (transfer of know-how through expatriate nationals).

More than 50 overseas Pakistani experts have so far visited Pakistan under the UNDP TOKTEN programme since 1980.

Three of the five Pakistani experts belong to World Bank, Washington. They are Mr. Parvaiz Hassan, Chief economist, World Bank; Mr. Tariq Husain, senior economist, World Bank; and Mr. Masud Ahmed of the Energy Department, World Bank. They have taken up their three-week assignment with the Planning and Development Division Islamabad.

Mr. Z. H. Zaidi of the School of Oriental and African Studies, University of London, has taken up his five-week assignment with the Culture, Sports and Youth Affairs Division, Islamabad.

Another TOKTEN consultant, Mrs. Parveen Zaidi, now working in the UK, has taken up her five-week assignment with the department of Archives, Ministry of Culture and Tourism, Islamabad.

The TOKTEN-programme offers an opportunity to tap the best talents available among the expatriate professionals for specific technical inputs in their countries of origin on short-term consultancy missions.

It was first developed in Turkey by UNDP and is currently being implemented in 12 developing countries, including Pakistan.

CSO: 4220/39

ATTOCK VILLAGES DECLARED DISASTER AREAS

Karachi DAWN in English 27 May 82 p 4

[Text]

ATTOCK, May 26: The Punjab Government has declared 14 villages of Tala Gang, Tehsil of Attock district, as calamity areas due to damages to wheat crop caused by recent rain and hailstorms.

This was disclosed here on Tuesday by the Deputy Commissioner Attock, Syed Jalil Abbas after conducting a complete survey of the damages in rural areas of the district.

The D.C. informed that in three villages of Fashjang Tehsil, some parts of Gotra Union Council in Attock Tehsil and in some villages of Pindi Gheb Tehsil wheat crop was also damaged.

He said that the provincial government has allowed remission in land revenue in the affected areas and Taqavi loans advanced at the time of sowing of Kharif crops have been waived. Moreover, it has been decided that the due installment of loan advanced at the time of sowing rabi crops may be suspended for the time being, he added.

In response to a question, he said that the District administration and Provincial Food Department have made special arrangements to meet the shortage of Atta and other food in affected areas.

He said that there is no doubt that in some villages 70 to 80 per cent damage has been caused to wheat, however there are a number of villages where the wheat production will be up to the mark.

The D.C. said that the Punjab Government will purchase 1,500 tons of wheat from Attock district during current wheat procurement campaigns.—

MOVE AGAINST OBJECTIONABLE PHOTOS HAILED

Karachi MORNING NEWS in English 27 May 82 p 7

[Text]

HYDERABAD, May. 26: The Federal Council members and religious leaders have widely appreciated the decision of the Federal Government to discourage the publication of objectionable photos of womenfolk in the newspapers and described the decision completely in accordance with the Islamic tenets.

Dr. Ameena Ahsraf, a member of the Federal Council in a statement said that the glamorisation of woman was against the very spirit of Islam and downgraded the Pakistani women in the eyes of the brotherly Muslim countries.

Dr. Ameena said that the pictures which created temptation for the men and competition among the women must be stopped.

Nawab Mohammad Iqbal Khan and Mr. Jabree Siddiqui, members of the Federal Council, said that recently, even the decent and sober newspapers had started publishing semi-nude and voluptuous photos of the womenfolk which ridiculed Islamisation efforts in the country.

Maulana Mohammad Ali Rifi, an ex-M. N. A., welcoming the decision said that should have been done much earlier by the Government. However it was not too late and hoped it would have most pleasant impact on the society which was marching ahead towards social ruin.

FIRST DUTY-FREE SHOP OPENED

Karachi DAWN in English 27 May 82 p 10

[Text]

The first duty-free shop for Pakistanis returning home was opened near the Star Gate on Wednesday evening by FIA chairman, M. Rahim Khan.

The "complex" has in stock 41 varieties of goods but some popular items including unstitched cloth, readymade garments, shoes, socks, artificial jewellery, children's wear and toilet goods have not been put on sale yet.

The goods are placed in a small place. Mobile airconditioning unit, used at the airport was functioning during the opening ceremony.

Speaking on the occasion, the FIA chairman said it took nearly five years to turn into reality "this outstanding idea" of the President.

Guests were provided with price list, customs duties and baggage rules.

FIA SUBSIDIARY

The project manager of the Duty Free Shops Ltd. a sub-

diary of FIA, said the complex will be airconditioned within two to three months and that automobiles would also be made available for sale for passengers returning to Pakistan.

He said the prices are competitive saving high insurance rates, brokerage, packing costs, etc. The facility of transmission of purchases to other cities by truck is also available and passengers can take their family for shopping which can be made in foreign currency within 60 days after their arrival on presentation of "A" and "FM" forms.

The prices of all the 41 categories of items are listed in US dollar which are subject to change with the fluctuation of the dollar rates. Purchases can be made in cash, travellers' cheques or bank drafts.

Customs officials will be present at the time of transacting the business.

CSO: 4220/38

OFFICIAL SAYS UNION ACTIVITY ONLY AFTER LABOR POLICY

Karachi DAWN in English 27 May 82 p 10

[Text]

The question of restoration of trade union activity in PIA will be considered only after announcement of national labour policy, Secretary General Defence and Chairman PIAC, Maj-Gen. (retd) A. Rahim Khan, said here on Wednesday.

Talking to newsmen after inaugurating the dutyfree shopping complex, he said the airline had a total staff of 20,000 at present. It was more than the required number.

He said some departments in the national carrier were over staffed while others were short of staff. He denied there had been mass scale resignations in PIA in the recent past.

The PIAC Chairman said it had already been agreed in principle that the national carrier should discontinue all non-airline activities.

He said three new posts of Directors were being created in PIA. These include data processing Director, personnel services Director and director Corporate Development. The last one would be appointed at a later stage, he added.

Asked about the implementation of recommendation of foreign consultants in PIA, Maj-Gen (retd) A. Rahim Khan said these had been implemented from time to time.

He told another questioner that staff from outside the PIA had been appointed in the Vigilance and Security Departments of the airline to ensure that loyal persons are entrusted this job.

MINISTER STRESSES NEED FOR ACQUIRING TECHNOLOGY

Karachi DAWN in English 27 May 82 p 10

[Text]

The Federal Industries Minister, Mr Ishaq Bux Soomro, has stressed the need for acquiring advanced technology so that our industry does not lag behind. He said, the Government would approach the United Nations Industrial Development Organisation (UNIDO) for assistance in achieving this objective.

He was speaking at a function arranged by Pakistan Plastic Manufacturers Association yesterday at Hotel Inter-Continental on the occasion of All-Pakistan Plastic Exhibition "Pak Plas '82".

Admitting the importance of plastics, Mr Soomro said it had replaced steel, wood, cotton and other materials which were being used in many vital industries, such as automobiles, agriculture, electronics, etc.

HIGHER TAXES

About the higher incidence of taxes and duties referred to in the welcome address, he advised the Association to prepare a working paper on the subject to present their case effectively to the Government. To help the

Association in preparing such working papers, he said he would assign an official of his Ministry.

Mr Soomro said the Government policy was not to encourage industries which depended entirely on foreign imported materials, as was the case with the plastic industry.

He advised the plastic manufacturers to increase their export potential. This would also justify their request to Government for more facilities and concessions, he added.

Later, the Minister performed the opening ceremony of the five-day "Pak Plas '82" exhibition, organised at Haji Abdullah Haroon Muslim Gymkhana.

Earlier, Mr Aijaz Mahmud, President Pakistan Plastic Manufacturers Association pleaded for reduction in import duty on raw materials used in plastic industry, which he pointed, ranged between 130 and 300 per cent.

In addition, he said, the Government has also levied 10 per cent sales tax on import and 1-3 per cent sales tax on manufactured items.

ENQUIRY DEMANDED INTO WATER CRISIS

Karachi DAWN in English 27 May 82 p 10

[Text]

Three members of KWMB, Dr Athar Qureshi, Mr Akhlaq Ahmed, and Mr Musaffar Hashmi, have demanded a judicial inquiry into the causes leading to the water crisis in the city.

In a statement they appealed to the Governor to hold a judicial inquiry and punish those responsible for this grave situation.

The statement alleged that the KDA had been changing water schedule on its own despite the fact that at the last Implementation Committee meeting it was decided that the Committee members would be taken into confidence before effecting any change.

They said some "hidden hand" was out to wreck the new scheme of alternate-day supply although it has eased the position considerably.

They said that recent Press reports indicated that KDA had blamed KWMB for not giving water equitably which was be-

lieved by the records. The fault lay with the KDA and the pretext of silt causing lesser pressure was contrary to facts because the same lines had been providing more water in the past.

The members said when KDA had a team and mandate for cleaning the silt, why they are not being used.

Meanwhile, Syed Mohammad Idrees, General Secretary, Advisory Council, KM&C Ward No. 117, in a separate statement complained to the authorities about serious water crisis in Karachi Cooperative Housing Society Union comprising 24 societies including Dhora Ji, Adamjee Nagar and Kathiawar Society, says a Press release.

The statement appealed to the Governor to intervene and find out the real causes of shortage of water and make sure that such a crisis was not repeated.

CSO: 4220/38

GRANTS DISTRIBUTED AMONG WAR AFFECTEES IN BALTISTAN

Karachi DAWN in English 28 May 82 p 9

[Text] GILGIT, May 27: Major-General Imtiaz Waraich, Martial Law Administrator, Zone 'E', distributed on Monday President's special grant of Rs. 6.8 million among the Baltistan residents displaced during the 1971 Indo-Pakistan war.

Speaking on the occasion, he said the Government was preparing a policy to settle the war affected persons and to help the families of 'Shohda' Under the directives of President Gen. Mohammad Zia-ul-Haq, a plan was prepared to allot 10 marlas residential plots, free of cost, to each family in Gilgit. He said approximately 175 plots were permanently allotted to them. He directed that a similar plan be chalked out in Baltistan and Diamer districts so that the sacrifice of those great people, who laid down their lives for the integrity of Pakistan should not go in vain.

Major-General Waraich instructed the authorities to give preferential treatment to retired soldiers, disabled persons and help to provide them employment in Northern Areas. He said the brave people of Gilgit and Baltistan had liberated their territory from the yoke of Dogra servitude and they were in a position to defend their freedom and integrity. He informed the people about the President's untiring efforts for Islamisation in the country.

Earlier, the Chairman of District Council, Baltistan and member of the Federal Council, Mr. Wazir Ghulam Mehdi, expressed his thanks to the President for his special grant for the settlement of war-affected people of Baltistan and his keen interest to enhance the pace of development in the region.

CSO: 4220/40

FOREIGN PAINTERS FOR COMMISSIONING QUAID'S PORTRAIT

Karachi DAWN in English 28 May 82 p 1

[Text]

ISLAMABAD, May 27: The Pakistan embassies abroad are being contacted to get details of noted foreign painters to be commissioned to paint Quaid-Azam Mohammad Ali Jinnah's portrait.

The Director-General, Pakistan National Council of Art (PNCA), Mr Khalid Saeed Butt, in an interview today, said, over a dozen eminent painters would be engaged for this purpose.

The selected portrait will be considered as national portrait of the Founder of Pakistan. Mr Butt said, the President had deemed that the Quaid's portrait should truly reflect his personality as leader of the Islamic State that he founded.

It may be recalled that a five-member Cabinet committee had chosen 126 paintings of the

Quaid-Azam by noted Pakistani painters for competitive exhibition held in the past.

The President, after watching the exhibition, had directed the PNCA chief to commission some foreign painters for the Quaid's portrait as all the paintings on display were not of good quality.

To a question, Mr Butt said that a comprehensive plan for the revival of classical music in the country is being prepared by the PNCA in consultation with eminent musicians. The idea, he said, behind the move is to defend this traditional heritage (classical music) from the rising flood of western music.

The proposed plan, he said will suggest special measures for the benefit of those known for their matchless contribution to classical music.

To another question, the D.G. said that PNCA plan of establishing a Performing Art Academy initially at a cost of Rs. 30 lakh was also being considered by the Ministry concerned. The Academy, he said, will be set up in collaboration with the Ministry of Education. A number of foreign Aid-giving agencies had lauded the idea and assured their cooperation, the D.G. said.

CSO: 4220/40

PLEA FOR NOT TAXING AGRICULTURE INCOME

Karachi DAWN in English 26 May 82 p 8

[Text]

HYDERABAD, May 25: The Chairman, Sind Chamber of Agriculture, Haji Pariduddin Siddiqi, today urged the Government not to tax the agriculture income because it would adversely affect the agricultural produce and the national economy.

Addressing a Press conference here this morning, the Chamber chief said that agriculture sector has not only made the country self-sufficient in the matter of several basic requirements like foodgrains, sugar etc but has also emerged as a big foreign exchange earner of the country.

Haji Pariduddin said that abedgars have to pay the market fee although there was no market, paddy fee, cotton fee, sugarcane cess, import/export taxes in addition to the increased rates of ahyana which have shot up from Rs 12 to almost Rs 42 in certain cases.

He said it was precisely on account of the consideration that the Sind Chamber of Agriculture strongly and vehemently had opposed any proposal to levy high sophisticated urban tax as it would be counter-productive and amount to suicide to our national economy. He appealed to President not to consider any proposal put forth for imposition of agricultural income tax and thus help the abedgars to boost agricultural production in supplementing Government efforts to achieve self-sufficiency in food requirement.

He also appealed to President to discontinue operation of Finance (Supplementary) Act 1977.

WHEAT HARVESTING COMPLETED IN THREE PROVINCES

Karachi DAWN in English 26 May 82 p 3

[Text]

ISLAMABAD, May 25: Harvesting of current wheat crop has been completed in Sind, NWFP and Baluchistan, while in Punjab about 90 per cent harvesting has been done, it was officially stated here today.

The target, namely, 30.6 lakh tons fixed for wheat produce in Sind, has been achieved. The quality and quantity of the produce in Sind were fine and adequate, a ranking official of the Ministry of Food and Agriculture said.

He told APP, fortunately the crop this year remained free from rust and other epidemics throughout the country. The long dry spell would have seriously affected the crop, but for the heavy rainfall afterwards which compensated a lot, the official said. However, continued rains in the harvesting season caused delay and affected the quality in some of the areas.

He said that in the four districts of Punjab including Gujranwala, Sheikhupura and Sialkot the rains have affected approximately 30 per cent of the crop.

The official believed that with improved prospects in Sind and NWFP, there will be more wheat produce as compared to that of last year.

Production last year in Sind and NWFP was 19.46 and 90.4 lakh tons respectively.

According to latest reports, the official said, the wheat crop was in full bloom in the uplands of Baluchistan and NWFP, which will be harvested in June.

Talking about the food position, he hoped that the country will maintain its self-sufficiency in wheat requirements.

He said that procurement was in full-swing and so far the Government had procured 4.30 lakh tons in the Punjab, Sind and NWFP. The Government would buy all the quantity of wheat offered for sale by farmers, he added.

He said that for seed purposes, it has been decided to buy 16 lakh tons of good quality wheat-seed.

About the reserve stocks, the official said, the Government has the highest ever stocks of wheat, which can be utilised to meet the requirements, he concluded.

CSO: 4220/35

LAND SOUGHT FOR UNITED STATES PROJECTS

Karachi DAWN in English 26 May 82 p 1

[Article by H. A. Hamied]

[Text]

The Export Processing Zones Authority (EPZA) is negotiating with the Port Qasim Authority (PQA) to acquire land for three major American projects involving an investment of 132.50 million dollars. This US proposal exceeds the combined investments of already 19 approved projects in the EPZA.

Authoritative sources, both in EPZA and PQA, told "Dawn" that the projects would get through and would not be bogged down owing to the shortage of land.

The sources said the American proposals are for setting up projects of diammonium phosphate fertilisers, agricultural tractors and edible oil processing.

These three projects will provide employment opportunity to 1,793 Pakistanis whereas all the 19 approved projects in the EPZA put together would offer jobs to 3,029 people.

The EPZA is seeking 2,000 acres from the PQA which is willing to part with the land from its 10,000 acres.

The EPZA has also received two proposals for setting up factories manufacturing soaps and candles and readymade garments.

The proposal for making soaps and candles has come from Lesotho (Africa), and for readymade garments from the United States. The African project will bring an investment of 1.29 million dollars, and the readymade garments 200,000 dollars.

All the five projects will be considered at the meeting of the Board of Directors of the EPZA next month.

The EPZA has made a down payment of over Rs. 48 million to the KDA, KESC, Karachi Gas Company and the Telegraph and Telephones for services.

The KDA has received Rs. 21,780,000 for land and water, KESC Rs. 6,088,000 for power supply, Karachi Gas Rs. 4,812,700 and T & T Rs. 14,812,831.

So far the Zone has received water, power and gas. Telephones and telex cables are being installed.

The officials made it clear that the foreign investors will have to deal with only EPZA in matters of acquiring services and facilities.

MASSIVE AFFORESTATION PLANNED IN KALABAGH AREA

Karachi DAWN in English 24 May 82 p 6

[Text]

LAHORE, May 23: The Punjab Forest Department has made a five-year plan for massive planting of forest and fruit trees under a watershed management programme in the catchment area of a dam to be constructed on the River Indus at Kalabagh.

The total catchment area of the proposed Kalabagh Dam will be 55 lakh acres in the province. Watershed management programmes are implemented to increase the useful life of the dams by controlling the amount of silt going into the reservoirs. Such programmes for Mangla and Tarbela Dams were started much after their completion but in the case of the new project it is to be started much ahead of the construction of the dam itself.

Under the programme, in addition to afforestation, farmers would be assisted for terracing their agricultural lands and other soil conservation works in gulleys and nallahs.

The Soil Survey Department of Pakistan will provide basic information regarding soil types in the area so that fields operations are designed accordingly. In addition, proposals are also under consideration for making use of remote-sensing data transmitted

by earth satellites.

Meanwhile, Malik Allah Yar Khan, provincial Minister, for Revenue disclosed at village Tibbo Pukhrail that two cunettes would be constructed to push back the river Ravi to its old course and thus 35,000 acres of land would be reclaimed.

A ring bund has been constructed to protect the village which has been partly eroded by sudden change in the river's course. The bund had however saved the remaining part of the village and fertile land and orchards.

The Minister also visited village Mangni and directed the Irrigation Engineers to construct a new channel for strengthening the course of Bein Nallah which has come very close to the village by changing its course.

The Minister also inspected the Kakkey Bund and its three spurs built by the Irrigation Department to protect the Narowal Shakargah highway.

The Minister expressed satisfaction that after the construction of the spurs, the Ravi has drifted far away from the highway. He, however, directed the engineers to excavate a cunette to tide over the problem of the erosion near Jasar.

ISLAMABAD'S TRANSPORTATION PROBLEMS

Karachi DAWN in English 28 May 82 Magazine p V

[Article by Ahmad Hasan]

[Text]

Islamabad may be a well-planned, beautiful city, of palaces and sparkling shopping centres, nestling on the skirts of green hills, but it has, even after coming of age (21), no public transport system of its own and no rail link with the rest of the country hence, like Kabul or Kathmandu, it is without a railway station.

Though the Greek planner Doxidis wrote a 'million' words about the future capital, he missed many things, among them the "dhobis" and "bhangu" who form part and parcel of the middle class. So did those who were, in early sixties, entrusted to execute the plan.

In his scheme, roads - boulevards, avenues etc., etc. - seem to be straight lines drawn over the undulating country side that once this burgeoning capital was.

Roads criss cross each other at right angles. This, in the early years of Islamabad, resulted in too many traffic accidents. At one point near the Polyclinic where the so-called Embassy road (now named Ataturk Avenue) crosses Fazlul Haq Road, so many fatal accidents took place that people began to call the crossing "khooni chowk" (bloody crossing).

It remained without a traffic cop or signals till a Joint Secretary broke his ribs in a car accident and he filed a suit for damages and thus the first set of traffic signals was

installed after obstructions were cleared by bulldozers. And the crossing was re-named "battiwala chowk" (the crossing with lights).

Four modes

At the moment there are in Islamabad cum-Pindi four modes of public transport: a fleet of 192 PUTC (Punjab Urban Transport Corporation) buses, large with maximum capacity for 100 and small (44) of which only 50 per cent are in working order.

Besides the RTA-permitted wagons, catering to the needs of white collared workers, there are mini pick-ups, popularly called Suzukis, which pack up passengers like the poultry farmers carry chicken in their nets.

During the past 18 months or so, a new breed of 46 has been added by RTA (Regional Transport Authority, Pindi) - medium sized 26 seaters with typical cross-country bus looks, gaudily decorated with coloured plastic and metal, mirrors and multi-coloured bulbs, manned by rustic conductors and drivers. They have a capsule-like shape and look as incongruous on the sleek streets of the capital as a gypsy girl would in the banquet hall of Holiday Inn. They are privately owned and enjoy all facilities that go with the private sector in this country.

Students who travel at the flat rate of 0.25 have nicknamed them "shameelis" for more than one reason.

God may take care of your life and limbs if you have to ride a Suzuki. It is the most undisciplined

of all the means of public transport. They enjoy complete freedom on the road: from changing routes at will to driving in the wrong lane and on the wrong side. Do whatever you like, they care two hoots for you and the law.

Taxis are not in large numbers for the simple reason few can afford. The Man-in-Town usually goes in for private cars rented out on a daily basis.

With petrol prices climbing up and up, the number of private cars is not growing with the same speed as commuters are. It takes one to think twice to drive to Islamabad or Pindi. Another factor is the growing self-sufficiency of Islamabad. You don't have to run upto Pindi to buy a broom or an angle iron or a salis sheet.

Plus, the middle class and those with petro-money coming in are leaving Pindi to live in the healthier environs of the capital. After all there goes a certain amount of prestige with an Islamabad address though you may be living in one of those shiny sectors without street lights or drainage.

Only a small number travels between the old and the new cities who have something to do with the G.H.Q., the CMLA House, the Establishment Division, the Ministry of Defence or the Supreme Court which continue to hug the good old Pindi.

Likewise, the public transport system of the capital is based in Pindi with its attendant hazards. The arterial road between the two remains clogged all day. Rush hours are maddening. The flow has reached the saturation point. The dual carriage road cannot be widened any more without taking a heavy toll of private shops.

A survey

Aware of the mushrooming problem and its corollaries of difficulties and hardships faced by public, the CDA Chairman, S.A.N. Gardezi, entrusted the task of preparing a feasibility report on a rapid transit system to a Lahore firm TRECON. They signed up on Oct. 8, 1980 and submitted their findings and recommendations in August last.

The study is confined to figures and facts. The humane side of the problem has not been touched: the over-loading, rash driving, rude behaviour of

the drivers and conductors, over charging, absence of tickets, route maps and marks and time tables etc. A stranger can easily get lost, break his bones, soil his clothes or get his toes crushed and, worse, his pockets picked by seemingly friendly co-passenger. Perhaps this is not part of the deal.

The TRECONS were asked to examine the problem with a view to recommending an efficient and economical system of transport for Islamabad area from the periphery of Faizabad Chowk where Murree Road crosses Shahrah-Islamabad. It hits Shahrah-Kashmir at Zero Point, which eventually will be developed into a clover leaf crossing. Passing under the Kashmir highway it ends at the under-construction Faisal Masjid on the skirts of Margalla.

They undertook a field survey and an actual physical count in November 1980 to assess the present position and future requirements. They also took into account a similar survey done by a German firm, Doeh Consult in 1970 and their projections.

A survey was also conducted for the extension of the existing rail-Pindi to Margalla.

The survey specially took into account the possibility of introducing electric trolley buses, tramways and rapid rail service or any other means of transport.

Traffic projects have been made for year 1990 to 2000 but economic analysis has covered a period of 30 years from the date of the implementation.

With more and more offices and people shifting to Islamabad, the pressure on intra-city transport will grow and grow faster. Doxiadis had estimated a population of 400,000 by 1980. But the census figures of 1981 show a total only of 1,45,000. Reason: the Yahya interregnum.

The estimates of other consultant likewise also proved incorrect.

The Federal Secretariat now alone emits 10,500 persons at the end of the day, visitors not taken into consideration. Of these only 25 per cent use their own transport.

Another big concentration is QAU (Quaid-Azam University) whose 1,600 students, 800 employees and 150 teachers are taken to and from the campus by their own 70-wheeler fleet of 15.

A survey of National Transport

Research Centre (NTRC) shows that wagons dominate Islamabad - 42 per cent; buses come next, 30 per cent.

During the peak hours the longest distance covered from the Pindi railway station to the Secretariat - 25 km - takes 90 minutes.

PUTC's fleet of 192, large and small buses, carry maximum of 144 per trip during the rush hours. The so-called "sharmatis" take the load also from suburban towns like Hasm Abdal and Gujjar Khan which are growing fast.

Coming back to wagons. Their Union figures of person trips do not come up anywhere near the survey count. According to the operators each wagon makes less than one trip per day between Pindi and Islamabad, while the actual count showed that 3,924 wagons passed the Zero point and 1,432 Kashmir Highway at Peshawar Chowk - the two points of entry into Islamabad.

No correct figures for the sarukis are possible. The Survey men counted 1,704 at Zero Point and 1,758 at Kashmir Point while the total number of permits issued is 764. And many do manage to ply without one.

Rail traffic

The Pindi-Margalla rail traffic is negligible at the moment, though it did not take a bad start. The distance is 10.26 km. In all, 1,522 tickets were issued, both ways, in Jan 80 but in November the same year the figure came down to 322.

Two rail cars were introduced to begin with but due to heavy losses they have been substituted by mixed trains. The reason for low usage is the absence of any residential sector near the Margalla station and the total absence of any mode of travel available at the terminal for onward travel.

Likewise, the PUTC is also a losing concern. Maladministration, pinching of ticket money and spares, exaggerated repair bills and bad maintenance take a heavy toll of the revenues.

Strangely enough, private transporters are also not happy though you hear of the wagonwallas minting money which is evident from the ever-increasing number.

The fault lies in mixing public and private sectors. The wagons, introduced by the Overseas Pakistanis' Foundation, were considered the best mode of travel in that grade. They are now rusting to be auction-

ed. They couldn't match the corrupt practices of the private owners or cut the red tape or bring into service honest, motivated personnel.

The old and the new city are creeping towards each other along the main link road making it more congested.

Therefore, in the opinion of the consultants the best solution is a mass transit system like the railway which is cleaner, safe, cheaper and reliable. The trains or railcars can come to a point in Islamabad from where commuters could be taken care of by buses, electric trolleys or trams.

As already mentioned above, about 90,450 persons travel daily each way between Pindi and Islamabad. In Islamabad itself, there is no intra-city public transport system.

The city is spread from its dead end in the east (the Administrative Block) towards west and would continue to expand westward. Thus two natural corridors of travel have been established - one along the Khabyaban-Suhrawardy in the south and the other parallel to the Margalla Avenue on the outer fringes of the sector markets. It is on these two routes that the middle class mostly travels.

In the south, the middle class shopping centre of Aahpara and in the north the so-called Super Market have become the two main City "centres." The two points from where most commuters are picked up.

Focal point

Taking into consideration the pattern of inter-city and intra-city traffic (Islamabad) the consultants have proposed an integrated bi-modal plan: extension of the railway-line to a place south of the Zero Point where will be built the Islamabad Railway Station and which in time to come is going to be the focal point of the City. From here the traffic could be disposed of in any direction by electric trolley buses.

They state four reasons for their choice: It will have greater capacity and traffic would move with speed. Capital costs may be high but the running costs will be low: six years' service will write off the capital investment. It would be time saving and there will be lesser chances of accidents and lesser pollution. The plan will encounter lesser physical constraints and tech-

nical difficulties.

The urban traffic people who were not consulted think a bit differently. Electric trolleys, they think, would create more traffic problems besides making the city, now free from overhead wires, look less beautiful. The three-car trolleys will create problems for the motorists and other vehicles in case of electric breakdowns which are pretty frequent.

The consultants say that the buses can take 3,000 to 5,000 persons per hour in each direction, the electric trolleys can take 7,500 persons, electric trams 12,000, surface single-track trains 11,000 and double-track 20,000, and underground trains over 20,000 persons.

Their conclusion is that the cheapest and the most practical mode will be surface train with electric trolley buses which will meet all demands of peak hours right upto 22,000 and beyond.

It is estimated that the initial capital investment on trolleys will be Rs.95.6 million, there will be a saving of Rs.8.64 m per year. Thus the cost will be covered in six years' time.

Commuters will benefit because of the low fare which is estimated to be 2.34 p.km. No fuel will have to be imported; thus, there will

be considerable saving in foreign exchange.

The city will remain free from pollution to a great extent. There will be additional revenue to the Government from the sale of power.

The dual mode will divert 21,300 passengers from Murree road, thus reducing its congestion.

Chinese model

It would be interesting to mention that the idea of introducing electric trolley buses occurred to Chairman, CDA while on a visit to Shanghai.

A Chinese team has been here, to study the introduction of the system and will be reporting back in due course of time.

If the scheme is adopted at all, Islamabad will have an added attraction for the visitors from other cities. And if the experiment succeeds, here, other cities may follow suit.

However, at the moment you have to keep waiting for the wagons for full many 30 minutes. The worst is the lot of woman commuters who have two front seats reserved for them with the driver's benches but are usually occupied by chauvinist males who refuse to give in.

So, till the trolleys arrive and are installed, you have to keep running after the buses.

RAILWAYS TO TONE UP ADMINISTRATION

Karachi DAWN in English 28 May 82 p 17

[Text]

Some important changes in the Pakistan Railways have been announced to tone up the administration.

Mr Jafar Wafa of Transportation, Traffic and Commercial Department, has been posted as Deputy General Manager at Lahore headquarters.

Mr Ohtasuddin, Principal, Pakistan Regional Railway Training Centre at Walton, Lahore, has been posted as the Divisional Superintendent, Quetta Division, while Mr Mainaruddin, Chief Engineer (Bridges), will be at the Centre as Principal.

Mr Irfan Ahmad Sheikh, Divisional Superintendent, Sukkur Division, has been asked to report to the General Manager at Lahore for posting, while Mr Ashraf Sheikh has been posted as Divisional Superintendent, Sukkur

Mr Pias Mahmood, till recently Divisional Superintendent, Quetta Division, has been posted as Project Director, Concrete Sleeper Factory, at Lahore, in place of Mr Ashraf Sheikh.

Mr J. J. D'Mello, Chief Engineer, Lahore, has been made Director, Procurement, Lahore, in place of Mr M. Y. Arif who has been posted as the Chief Engineer, Surveys and Construction, Lahore, in place of Mr S. D. Mallick who has been posted in place of Mr D'Mello as Chief Engineers.

Mr Aslam Hussain, formerly CME, Carriage and Wagon, will take over as Controller of Purchases, on return from leave, thus relieving Mr Farouddin of additional charge.

MINISTER SAYS RAILWAY FARES NOT TO BE INCREASED

Karachi DAWN in English 28 May 82 p 11

[Text]

Rail fares in the country are not expected to be increased in the near future. Federal Minister for Production and Railways, and Chairman, National Logistics Cell, Lt. Gen. Saad Qadir said in Karachi on Wednesday.

Talking to newsmen after inaugurating a two-day seminar on Transport Perspective for the 80s, he said although the World Bank had asked Pakistan to increase rail fares, as it was an economic necessity, but for the time being there is no move in this respect till 1983.

He said reorganisation of Pakistan Railways was already underway. He added railways have been provided adequate funds to implement their development projects.

He also said that with a view to ensure running of trains on time, it has been decided to reduce their number on the main line from 14 to 11 or 12. However, the number of bogies in existing trains have been increased to meet the prevailing load of passengers.

The reduction in the number of main line trains, the Minister explains, will help in reducing load on the rail track and efficient running of all trains.

In reply to another question,

the Minister said the Government was giving the "highest priority" to the railways during the 1982-83 Annual Development Plan period.

Pakistan Railways he said had been adding about 125 new train carriages to its service each year and this year the number would be raised to 150.

Pakistan Railways was also trying to increase the speed of the existing train services, and provide other facilities to its customers, he added.

He said recent moves to improve the efficiency of the Pakistan Railways included amalgamation of the Railway Board with the Ministry's administrative structure, the forthcoming computerisation of the Inventory Control Section etc.

He also said the newly introduced reservation system (whereby advance bookings can be made for an indefinite period instead of the previous two-week limit) would continue at least for six months to assess its advantages and drawbacks properly.

Answering another question he said that he had not yet read the report on the feasibility of the Karachi rapid transport system.

PAKISTAN

PAKISTAN RAILWAYS GET IBRD LOAN

Karachi MORNING NEWS in English 23 May 82 p 1

[Text] ISLAMABAD, May 22: World Bank has agreed to extend an interest-free loan of 50 million dollars to Pakistan for the rehabilitation of railways.

Negotiations to finalise the loan were held in Washington between a Pakistan delegation led by the Railways Secretary, Mr Abul Kalam and the bank officials.

Mr Kalam, who returned here today from Washington told PPI that the agreement would be signed in Washington before the end of current financial year.

The Railways Secretary said that the loan would be utilized for strengthening the dry port at Lahore, reconditioning of locomotives and establishing railways telecommunication system.

This will be the eleventh in the World Bank series of loans to the Pakistan Railways.

CSO: 4220/32

SENTENCED TO 40 YEARS FOR DESECRATION OF QORAN

Karachi MORNING NEWS in English 23 May 82 p 1

[Text] PESHAWAR, MAY 22: HAJI ZARSHAD, CULPRIT IN THE HOLY QURAN BOOBY TRAP CASE, WAS SENTENCED TO 40 YEARS AND SIX MONTHS RIGOROUS IMPRISONMENT, ON THE CHARGE OF DESECRATING THE HOLY BOOK AND USING IT FOR SABOTAGE PURPOSES.

The judgement in the case was announced today in the premises of the Central Jail Peshawar by the Deputy Commissioner: Kohat Mr Rasool Bakhsh Baloch.

The accused was tried under the Frontier Crimes Regulation by nine-member Jirga of the Frontier Regions: Kohat which unanimously found him guilty of the charges framed against him.

The sentence will run consecutively.

The accused was arrested from the tribal area adjoining Kohat on November 29, 1981 and a copy of the Holy Quran was recovered from him which had been desecrated in the manner that its pages had been cut and removed and an explosive device concealed in the cavity thus made.

After necessary investigations the case was handed over to the Jirga for trial as per tribal traditions on May 3 last; which returned with its unanimous award to the Deputy Commissioner Kohat on May 15 1982.

The Jirga had held its sittings in the Peshawar Central Jail premises where the accused was lodged. It had also examined five witnesses; and had unanimously found him guilty.

Sturdy, tall and bearded Zarshad, who is in his early 30s, had confessed that he had joined Al-Zulfikar sabotage organization in Kabul. Following losses in visa business he had fled to Qabul where he contracted with the Al-Zulfikar for the sake of money; he had further revealed in his confessional statements.

Zarshad, who operated under the code name of Haji Bahadur; belongs to Korsar village of Buner sub-division in Swat district.

His accomplice Raheem, who had the code name of Mir Alam; had, however, escaped and has since been declared absconder.

The Peshawar police had unveiled the heinous terrorist plan of using the Holy Quran as a booby trap for subversive activities in the NWFP; on February 21 last and had shown the booby trap to the newsmen at a Press conference.

The booby trap; containing high explosive material; capable of destroying a house in a special cavity and was designed to be presented to some devout Muslim personalities under the garb of the Holy Quran.

The red cover Taj Company Holy Quran was punched rectangular from inside of the border to make the cavity for the fixation of the explosive device. The first and last pages of the Holy Book were; however; pasted on the device.

The cover was left intact to make the booby trap illusive.

This is apparently; the first ever instance in the Muslim world to turn the Holy Book into the booby trap by a terrorist group for the realization of selfish motives and to kill the Muslims with the help of the Holy Quran; which is the total message of peace and human reformation.

CSO: 4220/32

PLANS FOR ELECTRIFICATION OF ENTIRE RURAL AREA

Karachi MORNING NEWS in English 22 May 82 p 8

[Text]

DULLAH (Chakwal) May 21: Federal Minister for Petroleum and Natural Resources Major Gen. (retd) Rao Farman Ali said here today that the Government was planning to provide electricity to the entire rural areas of Pakistan in the first three years of the next five-year plan.

He was addressing a large gathering including notables and councillors of Tehsil Chakwal in district Jehlum after inaugurating the newly constructed Dullah-Chakwal road, named after Lance Naik Ghulam Hussain Shahid.

Lauding the self-help efforts of the people of the area the Minister said no nation could progress without the help of its

people. He said Government could only augment the people efforts while the real builders were the people themselves.

The Minister said that the Government was planning to provide ample funds to the local Government to solve the problems of education and communications at the root level.

Gen. Farman Ali who laid a floral wreath on the grave of Lance Naik Ghulam Hassan Shahid urged the people to wage Jihad against the evils of bribery and corruption and said that Jihad did not mean only battling against other nations. He said parting with the worldly possessions for the

building of the nation was also Jihad. He said by naming the newly constructed Dullah-Chakwal road after Lance Naik Ghulam Hassan Shahid the people of the area had paid tribute to the spirit of Jihad.

Talking of the desilting problem Gen Farman said that by only planting trees not only this problem could be overcome but the energy needs of the area could also be met.

Responding to the demands of the people the Minister sanctioned a cottage industry training centre and a bio-gas plant for village Dullah.

Earlier Chairman District Council Malik Habib Khan presented address of welcome to the Minister.

CSO: 4220/29

TEXTILE ACCORD SIGNED, PAKISTAN'S QUOTAS RAISED

Karachi DAWN in English 23 May 82 p 1

[Article by Shadaba Islam]

[Text]

BRUSSELS, May 22: Pakistan and the European executive commission signed an agreement yesterday for new quotas for Pakistani textile exports to the European Community.

The agreement, which expires on Dec 31, 1986, followed five days of negotiations in Brussels.

The new voluntary restraint agreement was described as "fully satisfactory" by Pakistan's Federal Secretary for Commerce, Mr Ishaqul Haque, who led the Pakistani negotiating team. The EEC's textile negotiator, Mr Horst Krenzler, headed the EEC delegation.

Pakistan has succeeded in obtaining certain "reasonable" quota increases given the restrictive attitude adopted by the EEC, said Mr Ishaqul Haque at the end of the discussions.

Of the eight items subject to quotas under the previous Pakistan-EEC textiles pact, Pakistan is to receive increases in quotas under the new agreement for four products including towels, knitted jerseys, T-shirts and men's shirts. Quotas have been eliminated for women's blouses and pyjamas, while no increases were agreed by the EEC for cotton cloth and cotton yarn, currently considered the "most sensitive items" by the EEC's textile negotiators.

Pakistan is one of the 28 developing countries with which the EEC hopes to conclude "voluntary restraint" agreements by October this year.

Sri Lanka initialled a pact in Brussels earlier this week, and negotiations with India begin in Brussels on May 24.

MORE GIRLS' COLLEGES FOR LAHORE DIVISION

Karachi DAWN in English 23 May 82 p 7

[Text]

LAHORE, May 22: Four Inter girls colleges, two of them in Lahore city, will start functioning from the ensuing academic year (September 1982) in Lahore Division.

This was stated by the Punjab Education Minister, Mr. Hamid Naair Chatha, at a meeting here on Friday.

Two girls colleges in Lahore city were being set up one in Shadbagh and the other at Ravi Road.

The Shadbagh College would be located near the Government Girls High school and the building would be constructed at Rs.4 million in due course of time. This college would be one of the finest examples of community co-operation in the expansion of educational facilities, the Minister added.

The location for the Ravi Road Girls College was being searched the Minister said, adding however the college would start admission from September 1982.

Two Inter girls colleges, were being set up at Muridke and Sharqpur as directed by the Punjab Governor to meet the long-standing demands of the people of these areas. These two colleges would also begin classes from the next academic year.

Mr. Chatha said that new buildings of the Government Boys Degree college and Girls Inter College at Nankana Sahib were being constructed at an expenditure of Rs.8 million in view of the international importance of Nankana Sahib. This amount had been released from the current year's budget.

BRIEFS

ZIA'S UNITED STATES VISIT--ISLAMABAD, May 22--Official sources said here today that President Zia-ul-Haq had accepted President Ronald Reagan's invitation to visit the United States, but the date for the visit was yet to be fixed. The sources were commenting on reports appearing in a section of the Press about President Zia's visit to New York. [Karachi DAWN in English 23 May 82 p 1]

NEW URDU DAILY--RAHIMYAR KHAN, May 22--District Magistrate Rahimyar Khan Malik Mohammad Akram has granted a declaration of daily 'Shahadat' which will be published on July 1. The daily will be published under the editorship of Mr. Zia-ullah, advocate. The daily 'Shahadat' will be the second daily news paper from Rahimyar Khan. [Lahore THE PAKISTAN TIMES in English 23 May 82 p 6]

ROAD CONSTRUCTION IN SIND--KARACHI, May 22--The Sind Government is expected to spend a total of over Rs. 300 million on construction of roads in the province during next fiscal year. According to the informed sources about Rs. 230 million will be spent on the on going schemes of roads and more than Rs. 70 million on new schemes. The new schemes involve a sum of Rs. 44 million for improvement of 28 existing roads, over Rs. 1 million for bridge projects while 21 new roads would be needing another amount of Rs. 16 million. [Lahore THE PAKISTAN TIMES in English 23 May 82 p 5]

PRIVATE SECTOR LENTIL IMPORTS--LAHORE, May 22--Private sector has imported 1,01,599 metric tons of pulses worth over Rs. 600 million, official sources told here. Of the total pulses imported, 8,774 tonnes are black gram, 18,668 tonnes white gram, 42,213 tonnes Mash, 10,739 tonnes Moong, 18,850 tonnes Masoor, 800 tonnes soyabean, 1,374 tonnes beans (lobia) and Arhar 180 metric tons. The Trading Corporation of Pakistan is also importing 25 thousand tonnes of pulses of which 1,000 tonnes are expected to reach Karachi very shortly. [Karachi BUSINESS RECORDER in English 23 May 82 p 3]

RIYADH-ISLAMABAD FLIGHTS SOON--Saudia Airlines, the national carrier of Saudia Arabia, will soon start its capital connection between Islamabad and Riyadh, airline sources said here yesterday. For the new operation a well-equipped Saudia office has started functioning which will be formally inaugurated simultaneously with the commencement of Saudi flights from Islamabad, airlines sources said on the occasion of its 37th anniversary. The sources said that the passenger growth in Pakistan, particularly in the north of the country called for expanding operations and more streamlined facilities. Established in 1945,

the present strength of Saudi aircrafts is 70 while another 12 were on order. The Saudi Airlines carries 22 domestic and 40 international flights to 36 countries. In 1981 the number of passengers boarded on Saudi aircrafts was 9.5 million while the forecast for 1982 is for 10 million. [Karachi MORNING NEWS in English 23 May 82 p 5]

LOAN TERMS FOR WAPDA--LAHORE, May 23--A high-powered World Bank team on Thursday discussed the future lending programme of the Bank upto 1985 for the Development of Pakistan's water resources in a meeting with the Chairman of Water and Power Development Authority (WAPDA), Maj. Gen. Dr Ghulam Safdar Butt. The discussion with the World Bank team, being led by Mr. Warren D. Fairchild, centered round three approved and six proposed projects. The projects located in the Punjab, Sind and Baluchistan, included on-farm water management, command water management, irrigation rehabilitation, SCARP transition and rural electrification, to give the farmers an incentive to install tubewells in the private sector. The World Bank team discussed WAPDA's role in planning, monitoring and evaluation of the three approved projects, including the on-farm water management, irrigation system rehabilitation and Baluchistan minor irrigation and agricultural development projects. The World Bank assistance for the maintenance of Tarbela Dam also came under discussion. Later, Mr. Fairchild said that the World Bank was keen to provide financing for all these projects according to the Bank's lending schedule. Senior WAPDA officials in the Water and Planning sections also participated in the discussion. [Karachi DAWN in English 24 May 82 p 6]

NWFP, PUNJAB TEACHERS END STRIKE--ISLAMABAD, May 23--Upon receiving the assurances that the Government was considering their demands sympathetically and something substantial would be done for them, NWFP lecturers have decided to call off their strike and have appealed to all lecturers to resume their duties with immediate effect. This decision was announced by the President of the Sarhad Lecturers Association, Mr Nisar A. Khan and Secretary, Mr Zahur Ahmad Khan, following their meetings with the NWFP Education Minister, Mr Hasham Khan, and subsequently with Federal Education Minister, Mr Mohammad Ali Khan, in connection with their problems here this morning. In Lahore the President, Pakistan Nationalised School Teachers Association, Mr Akhlaq Ahmed, has appealed to all students of schools and colleges to take full interest in their studies now when the educational institutions have resumed classes. In a Press statement in Lahore on Saturday he said students should not miss even a single period now as the teaching had been started vigorously and devotedly. He also appealed to the teachers to give special attention to students and try to make up the loss. [Karachi DAWN in English 24 May 82 p 7]

PLANES FOR HAJ FLIGHTS--PIA has acquired two DC-3 on lease from a US private airline for Haj operations this year, an Airlines spokesman said. In addition in the two DC-8s PIA's Boeing 747 will also be used during Haj operations to carry 69,060 pilgrims in a total of 126 flights. All Haj flights will leave from terminal two. The first Haj flight leaves Karachi on Aug 20 and the last on Sept 16. Post-Haj operations will start from Oct 1 and end on Oct 28, the spokesman added. [Karachi DAWN in English 24 May 82 p 1]

TRADE PROSPECTS WITH BANGLADESH--Bangladesh offers good market for Pakistani light engineering goods, marble chips, electric fans and pharmaceutical goods, according to a report submitted by a two-member delegation of the Trading Corporation of Pakistan which visited Bangladesh. There was good possibility for establishing factories in Bangladesh with joint participation with Pakistani industrialists for the manufacture of sports goods and glass products. Other items identified for export to Bangladesh include electric bulb shells, fresh fruits, spices, machinery for manufacture of leather goods, and components of textile machinery. [Karachi DAWN in English 24 May 82 p 4]

ISLAMABAD AIRPORT DEVELOPMENT--ISLAMABAD, May 19--Islamabad International Airport where the air traffic will further grow in the years to come, will have its first parking bay for 747 boeing aircraft very shortly, official sources said here on Tuesday. The Airport Development Authority (ADA), responsible for the development of airports in the country will start construction work on the parking bay next week. These sources further said that the existing capacity of all passenger lounges including international departures and arrivals, would be doubled. The existing concourse halls will be converted into the lounges. Arrangements were being made to provide sitting facilities at the spacious visitors' lounge constructed by ADA recently on the directive of the President. Construction of the cargo terminal is progressing and will be ready by July this year. Similarly, the expansion of car park will be completed by June. The authority has also started development work at the Lahore Airport. The Government has approved a plan to double the capacity of lounges at the Lahore Airport. Work on the plan will start in near future. Work is progressing on the expansion of concourse hall and the car park, the sources added. [Karachi DAWN in English 24 May 82 p 4]

MAZARI DISOWNS WALI STATEMENT--The NDP chief, Sardar Sherbaz Mazari has said Wali Khan's recent statements on Russian intervention in Afghanistan were contrary to party's stand and therefore, Wali Khan will be asked to explain it at the Executive Committee meeting in Lahore today (Monday). He made these observations in an interview with the Lahore correspondent of 'Daily Jasarat' published on Sunday. Describing Soviet action in Afghanistan as 'aggression', he said this was condemnable and added that NDP demands withdrawal of Soviet troops from Afghanistan as soon as possible. He said NDP stood for freedom of expression and association, human liberties etc. It demanded the same in Pakistan and could not possibly have double standards in case of Afghanistan. Sherbaz Mazari added that no Super Power--America or Russia--can be granted the right to intervene in the sovereign affairs of smaller countries. The NDP chief also criticised the Indian Prime Minister and found no justification for the massive arms build-up policies, pursued by Mrs Gandhi. Both Pakistan and India, Sardar Mazari said should divert the money, "being squandered on towards efforts to ameliorate the lot of their suffering masses. [Karachi DAWN in English 24 May 82 p 4]

SIND AGRICULTURE RESEARCH BOARD--A high-powered provincial agricultural research co-ordination board will be set up in Sind to augment research on various crops, says an official handout. To be headed by Provincial Agriculture Minister, the board will have members from Agriculture University, Tandojam, Agriculture Research Institute, Tandojam, Dokri Rice Research Institute;

Horticulture Research Institute Mirpurkhas, Sugarcane and Pulses Research Stations, Atomic Research Stations, Pakistan Agriculture Research Council and its allied research institutes and cells. It will coordinate the application of available human, material and financial resources to make research more effective and relevant to the problems faced by farmers. The Sind Government is also strengthening the agricultural research in the province by properly equipping the research institutes and stations. Besides, adaptive research farms are also being established to demonstrate the achievements of research work for the benefit of the farmers. It has also been proposed to set up soil and water testing laboratories in every district to provide technical advice about the characteristics of particular soil and suggest type of crop and inputs like fertiliser and water to be used. [Karachi DAWN in English 24 May 82 p 4]

EXPLORATION GRANT IN UAE---Pakistan has entered the field of exporting drilling technology and the pioneer is Attock Oil Company which has obtained concession for offshore oil exploration in the United Arab Emirates. According to "Khal-eej Times" the Pakistani company is working in coordination with an American outfit, Enserch International Exploration, which holds oil interests in the UK, the Netherlands, Tunisia, Gabon and Egypt, besides the United States. Attock Oil Company has been given a 1560 square kilometres' concessional area which borders the territory of Qatar and Iran. The company expects to spud its first oil-well early next year, after interpreting geophysical and geological data acquired from the marine survey being conducted by a well-known international company, Geophysical Services Inc. Exploratory drilling to be done by Attock Oil Company will cover an aggregate depth of 30,000 feet in the territorial waters of Abu Dhabi. [Karachi DAWN in English 24 May 82 p 12]

WRITERS' TEAM FOR BEIJING--ISLAMABAD, May 23--A delegation of Eminent writers comprising Mirza Adeeb Mr. Ghulam Rabbani Agro, Secretary Saudi Arabia Board, Jamshoro, Sind left here today for Beijing. The visit of the delegation is in pursuance of the Cultural Exchange programme between Pakistan and China. The delegation will stay in China for two weeks and visit various literary organisations, intellectuals, universities and places of historical interest. The delegation was seen off at the Airport by Mr Masihuddin Ahmad Siddiqui, Director-General, Pakistan academy of Letters and the Cultural Counsellor of the Peoples Republic of China. [Karachi DAWN in English 24 May 82 p 12]

TWO MILLION IN SLUMS--Nearly two million people, that is, 27 per cent of Karachi's population, reside in slums according to a report prepared by the Sind Local Government department. Such settlements approximately cover 14,000 acres and are 362 in number varying in sizes. The average density in slums is about 150 persons per acre with the average family size of six to seven persons per dwelling unit. Among the people living in slums 20 per cent are skilled workers, 27 per cent unskilled labourers, 25 per cent, self-employed, 12 per cent, administrative and clerical staff and 16 per cent doing miscellaneous jobs. The total number of dwellings has been estimated at 2,23,000 and the average plot size is 60 square yards. The population increase in Katchi abadis is 200,000 per annum. About 20 per cent of these slums are such that three cannot be made permanent because of being incompatible with the future designated land use of the city, or are otherwise situated at locations

hazardous for residence. In addition, nearly five to ten per cent families living in a specific area are usually deprived of accommodation as a result of development within the slum area. A complementary housing programme for relocation of affected families has to be undertaken. At least 145,000 plots are required to accommodate the affected families. The Government of Sind is developing 70,000 plots for those shifted from Katchi abadis during the current financial year. [Karachi DAWN in English 24 May 82 p 12]

LEAGUE UNIFICATION MOVE DENIED--ISLAMABAD, May 25--Malik Nohammad Qasim, Secretary General of the defunct Muslim League (Khawaja Khairuddin group) today said no dialogue is on for the reunification of the two factions of the party and there should be no expectations in this regard. In an informal chat with newsmen Malik Qasim pleaded for early restoration of political activity in the country. He said any further delay would encourage the entry of abnormal forces in the political arena which would be disastrous for the country. He criticised curbs on the movement of some politicians. He said his entry had been banned in the NWFP, and he was stopped from going to Kohat early this week. [Karachi DAWN in English 26 May 82 p 3]

BAR URGES LEADERS' RELEASE--LAHORE, May 25--The Lahore High Court Bar Association has demanded immediate release of Nawabzada Nasrullah Khan, Air Marshal (retired) Asghar Khan, Miss Benazir Bhutto and other political leaders. A resolution adopted unanimously at an emergency meeting held under the chairmanship of Mr. Abid Hasan Minto, noted that Nawabzada Nasrullah Khan, who had been released in August last year after six months' detention, was again detained on Oct. 29. Since then the term is extended after every three months and only recently, a few days before the scheduled marriage of his son, he was shifted from his house to some other place. [Karachi DAWN in English 26 May 82 p 3]

RESTORATION OF DEMOCRACY URGED--QUETTA, May 25--Maulana Fazlur Rehman, Nazim, Nizamul Ulema-i-Pakistan and eldest son of late Maulana Mufti Mahmood, has said only an elected Parliament could bring about amendments in the 1973 Constitution and any amendment by any individual or body other than the parliament would not have any validity. Talking to newsmen in Quetta he called for restoration of democracy and holding elections on the basis of the 1973 Constitution. He told a questioner that his party had not joined M.R.D or any other political group and added that it would continue to struggle for democracy through its own platform. He opposed the idea of holding elections on non-party basis and said that party differences were necessary for promotion of democracy. [Karachi DAWN in English 26 May 82 p 8]

WOMEN'S COLLEGES FUNDS DENIED--ISLAMABAD, May 25--The Ministry of Finance has declined to entertain a request of Rs. one crore for the establishment of three Women University colleges in the country, informed sources told Dawn today. The amount included Rs. 50 lakh for the current fiscal and remaining for the next fiscal year. The refusal of the Finance Ministry to allocate the required amount is likely to jeopardise the plans for the creation of separate university colleges for women at Karachi, Lahore and Peshawar. It may be recalled that this plan was announced by the Government about two years ago with a lot of fanfare. Meanwhile, on a directive from the Government, the UGC had finalised a draft Women University Ordinance and submitted the same to the Ministry

of Education for approval. Earlier, the UGC, in consultation with the Ministry concerned, and other relevant authorities, had completed the task of preparation for a comprehensive programme for the establishment of women universities. [Karachi DAWN in English 26 May 82 p 8]

NOORANI'S STATEMENT CRITICIZED--LAHORE, May 25--Naib Amir, Jamaat-i-Islami Chaudhri Rehmat Elahi, has criticised the statement of Maulana Noorani that the defunct Jamaat-i-Islami was a terrorist organisation and talked in the language of weapons and said that the same allegations were levelled against Jamaat-i-Islami during the previous regime. [Karachi DAWN in English 26 May 82 p 8]

CHOLISTAN BOUNDARIES ANNOUNCED--LAHORE, May 25--The Board of Revenue, Colonies Department, Punjab, has declared the entire desert area of Bahawalpur Division as Cholistan, says a handout. Unallotted state land falling within the boundaries Cholistan has been placed at the disposal of the Cholistan Development Authority of Bahawalpur. Cholistan area falls on the south and outside the present irrigation boundaries of the perennial system of Qaim, Fordwah, Bahawal, Abbasia and Punjab Canal and on the south, north and west of the perennial irrigation boundary of Sadiquia canal system. Bikaner and Jaisalmer state of India is on the south, Sukkur District of Sind province on its west and the district of Ferozepur of Punjab (India) on its east. Unallotted state land falling within the Cholistan area has been placed at the disposal of the Cholistan Development Authority for undertaking any work or all the functions detailed in Section 15 of the Cholistan Development Authority Act 1976. [Karachi DAWN in English 26 May 82 p 13]

NEWSPAPER FILM EDITIONS BANNED--ISLAMABAD, May 24--A meeting of the office-bearers of all-Pakistan Newspapers Society (APNS) and the officials of the Ministry of Information and Broadcasting, was held here today under the chairmanship of Raja Mohammad Zafarul Haq, Minister for Information and Broadcasting. The meeting considered measures to discourage the exploitation of sex and glamorisation of women in the national press. There was consensus of opinion between the Ministry and the APNS on this issue. It was decided that the Ministry of Information and Broadcasting will encourage sobriety in the projection of the fair sex and the activities of women in the newspapers. An announcement said that if the trend of exploitation of sex continued Government will be forced to take measures under the law of the land because it is the Government's national responsibility. The announcement added that the Government expresses its satisfaction that the APNS is fully cognisant of the importance of this issue, and endorses the stand of the Government. It was also decided that after June 7, 1982, the newspapers would not publish separate film editions with pictures of filmstars but there would be no restrictions on the pages of newspapers giving film reviews and news. [Karachi DAWN in English 26 May 82 p 20]

WITNESS LAW DRAFT PREPARED--ISLAMABAD, May 25--The draft for Islamic law of witness, prepared by the Council of Islamic Ideology, would be placed before Majlis-i-Shoora for discussion, which will later refer it to the Federal Cabinet for approval. The new draft would replace the existing Witness Act of 1872, official sources said here Tuesday. According to these sources, next

meeting of the Islamic Ideology Council, to be held in Islamabad on May 29. under the chairmanship of Justice Doctor Tanzilur Behman, will reconsider the draft before sending it to Federal Council. It is believed the proposals will be presented before the Majlis-i-Shoora during its next session. The proposals for laws of "Qisas" and Huq-i-Shufa" were presented before the "Majlis-i-Shoora" on Jan 18, and are still under consideration by the Majlis. The Islamic Ideology Council will remain in session upto June 3. It is expected that the Council during its present deliberations will also consider a report from Investigative Committee with regard to present system of Zakat and Ushr. [Karachi DAWN in English 26 May 82 p 20]

PAGARO FAVORS PARTY BASIS--SUKKUR, May 26--Pir Sahib Pagara, chief of the defunct Pakistan Muslim League (Pagara group) told newsmen at Pirjogoth today that if he were given a choice between general elections in the country on political basis within two years and elections on non-party basis within six months he would prefer the former. But, he said, if elections were held on non-party basis, the Pakistan Muslim League would participate. Pir Sahib refuted reports that any meeting for reconciliation between various groups of the Muslim League was to be held at Sukkur and added "However a meeting is being held at the residence of Kamwar Qutbuddin at Islamabad". About the local bodies elections Pir Sahib said that as a party the Pakistan Muslim League would not take part in these elections if they were held before the general elections. The only party to participate in local bodies elections in the country is the Jamaat-i-Islami, he observed. He told a questioner that at one time he had said that elections would be held in 1982. "Now I pray that elections may be held by 1992".

MENGAL'S RELATIVES BEATEN--LONDON, May 26--A son and a brother of Sardar Ataulah Khan Mengal, a former Chief Minister of Baluchistan, were "severely beaten here by some unidentified persons" and are now being treated at a hospital, according to an Akashwani broadcast. In a statement published in a British newspaper and quoted by Akashwani, Sardar Mengal said his son and brother were no victim of racial discrimination. No such incident had ever taken place in the locality where he has been residing in self-exile, he concluded. [Karachi DAWN in English 27 May 82 p 1]

PAKISTAN-LIBYA JOINT VENTURES--ISLAMABAD, May 26--The Pak-Libyan economic co-operation and possibilities of its expansion through joint ventures and increased trade were considered here on Wednesday morning between the Federal Finance Minister, Mr. Ghulam Ishaq Khan and the Chairman of Libyan Arab Foreign Investment Company, Mr. M. Siala. Mr. Siala is currently on a visit to Pakistan to explore the possibilities for undertaking more joint ventures and to see for himself the progress of on-going projects under the aegis of PLHC. [Karachi DAWN in English 27 May 82 p 1]

CONCERN OVER FILM EDITIONS--Mr Haroon Rashid, Chairman of the Pakistan Film Exhibitors' Association, has expressed concern over the closure of film editions in the national newspapers from June 7. In a Press release, he said that cine-goers and masses read the film editions with great interest. Closure of these editions will adversely effect the film industry, which is already passing through a crisis due to VCRs, paucity of good Urdu films and

irrational policies of NAFDEC. The rate of entertainment tax in Pakistan is also the highest in the world. While requesting the concerned authorities to revise the decision, he hailed the measures taken to discourage the exploitation of sex and glamorisation of women in the national Press. [Karachi DAWN in English 27 May 82 p 10]

GERMAN TOUR OPERATORS--PESHAWAR, May 26--A group of 11 prominent German tour operators and travel centres, presently a visit to Pakistan, to explore possibilities for promoting tourism arrived here Wednesday. They have already visited Karachi, Lahore, Rawalpindi, Taxila and Swat. [Karachi DAWN in English 27 May 82 p 12]

NOORANI FOR EARLY ELECTIONS--MULTAN, May 26--Maulana Shah Ahmad Noorani has said that restoration of democracy is vital to the integrity and solidarity of Pakistan. Speaking at a reception given in his honour by the citizens of Lodhran tehsil, Multan district, yesterday, he said the Armed Forces should go back to the barracks after holding the general election. He said that to be safe from internal and external dangers the holding of the general election at the earliest was most essential. Regarding ban on students' organisations he said he had demanded curbs on such students' organisations as had become tools of political parties and were engaged in violence. He said a particular students' organisation had become a source of danger for Islam. [Karachi DAWN in English 27 May 82 p 12]

WHO HONOR FOR PAKISTAN--ISLAMABAD, May 26--Federal Minister for Health and Social Welfare Dr Nasiruddin Jozegai was elected Vice-Chairman of the World Health Assembly in its 35th session which concluded in Geneva recently, says a message received here yesterday. Dr Nasiruddin Jozegai, who led the Pakistan delegation at the Assembly has also been elected as the Vice-Chairman of the General Committee. Besides, the Assembly has elected Pakistan as member of WHO Executive Board for a period of three years commencing from Jan. 1983. Dr Nasiruddin Jozegai, designated as one of the members of the Board, will represent Pakistan in its meetings, held in January each year, in which health programme for the entire world and budget to meet the expenses are to be formulated. Dr Nasiruddin Jozegai was also elected as a member of the Executive Board of the Schousha Foundation Committee which selects the persons who have made some notable contribution in the health field for being given the Schousha award. The award consists of a bronze medal and cash of 1,000 Swiss francs. [Karachi MORNING NEWS in English 27 May 82 p 7]

LASBELA CIVIL DISTRICT CREATED--QUETTA, May 27--The Government of Baluchistan has created the civil district of Lasbela with headquarter at Khuzdar. The Government of Baluchistan has also established and constituted court of District judge Lasbela at Khuzdar and courts of civil judges at Hub and Uthal for the district Lasbela. [Karachi DAWN in English 28 May 82 p 1]

CONTINUED CHINESE SUPPORT ASSURED--BEIJING, May 27--Chinese Premier Zhao Ziyang met Gen Sawar Khan, Vice-Chief of Army Staff of Pakistan, here yesterday. Premier Zhao said on the occasion: "China and Pakistan are good neighbours. Relations between our two countries are marked by mutual trust, mutual support and mutual understanding. Chinese Government and people will work to promote

this relationship." He said: "Sino-Pakistan friendship will not be affected by international problems, and the Chinese Government will as, always, support Pakistan in maintenance her independence and State sovereignty." Reciprocating the sentiments, Gen Sawar said: "During our visit we have felt Pakistan-China friendship growing and Pakistan receives consistent support from China." [Karachi DAWN In English 28 May 82 p 1]

BAN ON MAZARI, MAIRAJ--Two MRD leaders, Sardar Sherbaz Mazari and Mr Mairaj Mohammad Khan, have been restrained from entering the NWFP for a period of three months. The notices on the defunct NDP President, Mr Mazari and the defunct Qaumi Mahaz-i-Azadi chief, Mr Mairaj, were served separately effective from May 19. Mr Mazari was expelled from the Punjab on May 25, following arrest of most of the defunct NDP Working Committee members in Lahore. He said in Karachi yesterday that the order banning his entry into the NWFP was served despite a writ pending in the NWFP High Court for two months against a similar order. Mr Mairaj was planning to proceed to Peshawar shortly in connection with a meeting of the Central Committee of the defunct Qaumi Mahaz-i-Azadi scheduled for May 31. [Karachi DAWN in English 28 May 82 p 1]

WELCOME FOR PN SUBS--DUBAI, May 27--The two submarines of Pakistan Navy, Hangan and Shushuk, were accorded a warm welcome when they arrived here on May 25 on a five-day goodwill tour of the United Arab Emirates. Col. Shaikh Ahmed bin Rashid Al Maktoum, the Commander of the Central Military Command of UAE, welcomed the captains and crew of the two submarines to Dubai as their "second home". Col. Shaikh Ahmed said this in the course of a courtesy call by the commanders of the submarines. Later the Ministry of Defence of UAE hosted a lunch in honour of the visitors. The two submarines will reach Port Zayad, Abu Dhabi, on May 29. Thereafter, they will visit the ports of Damam, Doha and Muscat. Meanwhile the Pakistan Ambassador in UAE, Amir Gulistan Janjua, in a statement said the visit of the submarines was part of annual goodwill tours undertaken by Pakistani naval vessels to the ports of brotherly Gulf States. Mr. Janjua said Pakistan enjoyed a special relationship with the Gulf countries. Particularly the UAE, he was confident the visit would further improve Pakistan-UAE relationship. [Karachi DAWN in English 28 May 82 p 16]

CELL FOR OVERSEAS PAKISTANIS--ISLAMABAD, May 25--President General Mohammad Zia-ul-Haq has directed to form a service cell for providing assistance and help to the overseas Pakistanis and their heirs. It was disclosed by Syed Iqbal Imam, the Managing Director of Overseas Workers' Foundation here on Monday. He said this cell has started functioning and all the concerned people have been advised to contact the Service Cell. Mr Imam said the OWF has been directed to collect the details of those Pakistani workers who died or crippled abroad. This step has been taken to provide necessary assistance and relief to the affected people. Mr Imam said that the Overseas Workers Foundation was doing its utmost to assist the overseas Pakistanis and to solve their problems. He said the financial assistance and relief goods will be given to the deserving people only just to make them self-sufficient and respectable citizens of the country. [Karachi DAWN in English 28 May 82 p 16]

MILK PLANTS FOR SIND--Three big milk plants and 36 milk-chilling plants will be set up in Sind with the assistance of the Asian Development Bank, Provincial Food and Agriculture Minister, Sardar Ghulam Mohammad Khan Mahar, said a

seminar on "Dairy-farming" organised by the Shia Imami Ismailia Council of Pakistan at Garden jamatkhana yesterday. To promote dairy industry, talks are also underway with the World Bank, he said. The Minister listed the incentives to the private investors for development of livestock and dairy-farming in the Province. He said that according to estimates, the Province is facing milk shortage to the tune of 0.2 million tons which is not through import of powdered milk. In 1985 the milk requirement will increase by 31 per cent and 0.37 million tons of milk will have to be produced. At present, Pakistan is spending foreign exchange of Rs. 50 million every year on the import of milk powder, he added. He hoped that the Seminar's recommendations will help in giving a boost to dairy industry. Mr Abdul Majid Merchant, Honorary Secretary of the Council, explained the objectives of the Seminar. [Karachi DAWN in English 28 May 82 p 18]

APPEAL AGAINST PHOTO BAN--The Women's Action Forum has appealed to the All Pakistan Newspapers' Society (APNS) to give a serious thought to its decision to ban the printing of photographs of people belonging to the entertainment world. In a Press release, the Forum pointed out that the success of entertainment and entertainers depended on their widespread publicity. Besides, to ban their photographs in print while they continued to appear live on the screen was inconsistent with reason. Apart from actors and actresses, the livelihood of those in the ancillary services would also be adversely affected because of the slump that would occur in the industry, the Press release said. The Forum maintained that it was not justifiable to penalise an entire industry and have its members suffer financial losses because of the real or imagined transgression of laws by some people. The Forum said that the ban affected the women performers more than men, because while the majority of men held salaried jobs in other fields, most of the women depended entirely on their earnings from the visual media to supplement their family income or to meet their total needs. [Karachi DAWN in English 28 May 82 p 18]

FILM PRODUCERS EXPRESS CONCERN--The Vice-Chairman of Pakistan Film Producers Association (Karachi Zone), Mr Muzaffar Husain, has in a Press statement expressed concern at the "further setback" that will be caused to the ailing film industry following the decision to stop film editions by newspapers. He said, the studios, financiers, technicians etc were facing serious problems already and now the "axe will fall on distributors and exhibitors". He said, newspapers could take care that there was no glamorisation of sex in such editions but a total ban on the film editions was "going too far". He appealed to the authorities to review the decision. [Karachi DAWN in English 28 May 82 p 18]

CSO: 4220/41

BALANCE OF PAYMENTS DEFICIT FOR APRIL

Manila PHILIPPINES SUNDAY EXPRESS in English 30 May 82 p 1

[Text]

THE country's overall foreign exchange transactions showed a deficit of about \$295 million for the month of April, 1982, Central Bank data indicated.

The deficit in the balance of payments (BOP), which is the summary of the country's foreign exchange transactions, was indicated in the money supply data made public by the CB.

According to the CB, money of external origin dropped by P2.5 billion, essentially reflecting the BOP deficit recorded in April, 1982.

The CB has reported that the BOP deficit from January to March 1982 amounted to \$539 million, significantly higher than the deficit in the same period last year. The bank blamed the depressed export markets, an increase in the cost of imports and the slow inflow of loans during the period for the short fall.

The CB also said that money supply (currency in circulation and demand deposits) amounted to P22.6 billion as of end-April 1982, an increase of P.3 billion or 1.3 percent on a monthly basis and by P18 billion or 3.7 percent on an annual basis.

...

THE expansion of money supply in April was brought about by the

upward movement in both net public (P.4 billion) and private sector claims (2.5 billion). This was more than compensated for by the decline in the net foreign assets of the monetary system (P2.5 billion), the CB said.

The expansionary influence of the public sector amounting to P 4 billion was due mainly to the movement in the net miscellaneous accounts of the CB.

The private sector also contributed to the expansion of money supply because of the P1.7 billion increase in loans and discounts, reinforced by the drop recorded in miscellaneous accounts and deposit substitutes of the commercial banking system.

The CB said that net domestic credits of the monetary system rose by P1.8 billion or 1.4 percent on a monthly basis and by a larger P24 billion or 24 percent on an annual basis, to reach P124 billion as of end-April 1982.

...

PRIVATE sector credits rose by P3.7 billion or 3.7 percent during the month. The increase in credit came mainly from deposit money banks which contributed P2.4 billion or 2.3 percent on a monthly basis.

KALAYAAN ISLAND SITUATION EXAMINED

Manila PHILIPPINES SUNDAY EXPRESS in English 30 May 82 Supplement pp 16, 18, 20, 22

[Article by Rod L. Villa, Jr]

[Text]

THERE are seven of them in the middle of the South China Sea, between the Philippines and Vietnam. Geologists and strategists have described them as "a spray of fly specks" on the map.

They jut only five meters above the waves. Nothing more than sand, sandstones, corals and a scattering of clayish soil, they allow sparse growth of mangroves, shrubs and stunted "talisay" trees. Of volcanic origin, geologists say they are still rising.

Yet the islands composing the Kalayaan group could not be ignored. They seem, indeed, destined to catch the imagination not only in the Philippines but of the world.

Last April 25, Prime Minister Cesar E. A. Virata flew to Kalayaan and the islands leaped back on the front pages of the local newspapers and rated rather lengthy stories in the foreign press.

And while the ruddy, laconic prime minister took pains playing

down the visit as "nothing more than routine inspection," "to learn as much as we can of the place and bring the government closer to the people," the inspection trip to the farthest outpost of the archipelago drew quick if rather comic and farfetched comments on its coincidence with the Falklands episode.

Kalayaan has indeed changed from its "discovery" by "Admiral" Tomas Cloma in May, 1955. With overtones of modern-day exploration and adventurism, Cloma's "occupation" was romanticized with his announced plan to establish a new nation and government of peace and tranquility, devoid of sham, violence and cut-throat living such as has cursed the old established countries.

In those days, Cloma and his followers dreamt of founding a place flourishing with greenery, even of plantation, with an abundance of fowl and marine food.

No serious effort was made by the Philippines to assert sovereignty until President Marcos issued LOI No. 1-76 on July 19, 1971, organizing the Western Command out of a composite of contingents of the army, navy, constabulary and air force comprising 2,530 officers and men. Then on July 11, 1978, the President issued PD No. 1596, proclaiming Kala-yaan a part of Philippine territory, as a municipality under the political and administrative jurisdiction of Palawan.

Virata found the islands bristling with guns and coastal fortification. He flew 435 nautical miles out of Manila and landed on sandy airstrip laid out like an aircraft carrier across the waist of Pagasa, biggest of the seven islands flying the Philippine flag.

Pagasa is roughly at the center of the six others—Parola, Patag, Kota, Lawak, Panata and Likas. It is located 270 miles from Palawan and 310 miles to Vietnam's Cam Ranh Bay.

With Virata were his lady, Joy, two of her women assistants, Natural Resources Minister Teodoro Peña, Palawan Gov. Salvador Socrates who has civil jurisdiction over the place, Public Works Deputy Minister Abér Canlas, and some 16 technical and security men.

It was a clear hot day and all in the party huffed and perspired within minutes after stepping out of the aircraft that was commanded by Col. Ciriaco Reconquista.

Virata was met by Commodore Gil Fernandez, Wescom commander, and a 19-gun salute. A

battalion of tough sun-brown marines, sleeves rolled, Armaletes and machineguns in hand, rendered a smart salute. As he mounted an improvised platform to deliver his speech, flights of T-38 prop-driven planes of the type known as "Tora Tora" (because they were of the same kind used by the Japanese pilots that bombed Honolulu in the last war,) and F-8 jet fighters led by Major Phil Y. Bacolod of the 5th Fighter Wing dove out of the sky to render him an aerial salute. They had escorted the Fokker to the islands.

From the airstrip, Commodore Fernandez led the group to the heavy concrete fortifications dotting the coast of Pagasa. He ducked into several of these and found them mounted with .50 caliber machineguns and heavy cannon. He could not resist peeking through gunsights that pointed to the outer sea. Several times, Virata, whom one columnist had called the "Sphynx," brightened with a rare smile.

From the coastal embankments, Fernandez led the group through mangrove growths to a 20,000-gallon fresh water tank built two years back in the first major move to make the island habitable. A generator hummed power that lighted electric bulbs and kept a complex communications system alive.

The party then walked to a far end of the 150,000-meter runway jutting way out of the island, at the near end of which a wooden plank awaited swimmers to dive into the sea.

The inspection done, the party rested in the main military quarters, a concrete bungalow-type building. He and Joy disappeared in a room and quickly emerged, the prime minister in swimming trunks and his lady in bathing suit.

For more than an hour, they led a clutch of men and women to swim in clear waters, keeping near a gaily-painted banca, under the close watch of frogmen and troopers. The two returned clearly refreshed, beads of seawater trailing down his slightly-hairy chest.

"It is our intention to defend Kalayaan," Virata told this media man later. "Any offensive action against Kalayaan will be considered an assault on the sovereignty of the Republic."

The situation calls for what he called the "sustained, uninterrupted and continuous occupation" to affirm the Philippines' "constitutional and peaceful ownership of Kalayaan."

The statement takes urgency in the face of the increasing strategic, military and economic importance of Kalayaan. Over the years, oil, the most coveted energy source, and other valuable minerals have been discovered in the vicinity.

And this explains the active international competition to own the islands. Fernandez reports that only a few months back a flight of PAF fighters were fired upon by Vietnamese troopers

on Pugad, some 40 miles south. And a contingent of Taiwanese forces occupy Ligas, 20 miles north.

Kalayaan has since served to delineate Philippine territory. The islands make the wide sea area to the coast of Palawan and the Visayas part of insular domain. All over the area, German, American and Indonesian teams have been active exploring for oil, manganese, phosphate, nickel, cobalt, molybdenum and guano deposits. The area teems with fishes, corals, clams, shells and other marine life.

During the briefing, Peña unfolded plans to strengthen occupation by building a marina to serve as resupply and resting point for fishing and naval boats. He told of a plan to construct a refrigeration plant to store the catch of marine foods.

Fernandez said all it takes to station fighter jets on the island is to lengthen the airstrip by 500 more meters, at a cost of P500 million.

Lunch was served under a makeshift roof. Following which Virata distributed basketballs, chess, kits, girlie magazines, komiks and other printed matter, to the delight of the troopers.

It won't be until six months hence when the troopers would be shifted out of Kalayaan. They need the items to enliven the otherwise dreary place. For Kalayaan is almost womanless.

NEW STRIKE BILL OUTLINED

Manila PHILIPPINES DAILY EXPRESS in English 31 May 82 p 1

[Text]

THE BATASAN is set to approve on third and final reading tonight Cabinet Bill No. 49 (anti-scab and picketing bill) and two related bills governing the June 7 election for members of the Sangguniang Pampook (regional assembly) in Regions 9 and 12.

The three bills were considered as urgent for consideration during the current special session called by President Marcos. The Batasan is scheduled to adjourn the special session, which started last June 19, after the approval of the three bills. The President said the special session should not exceed 15 days.

Enrolled copies of the three bills, all approved on second reading last week, have been furnished the Batasan members to meet the three-day period required before final approval.

...

THE LABOR bill provides sanctions against illegal strikes and lockouts.

Among its salient provisions are:

- Ministry of Labor arbiters have exclusive jurisdiction over questions of the legality or illegality of strikes and lockouts, and their decisions may be appealed only to the National Labor Relations Commission.

- Export-oriented industries, including those in export processing zones, are included in the list of essential services where labor disputes may be certified by the minister of labor for compulsory arbitration.

- THE PRESIDENT may intervene at any time during a labor dispute adversely affecting the national interest to settle such case.

- No labor organization or employer shall declare a strike or lockout without first having bargained collectively, or after assumption of jurisdiction by the President or the labor minister.

- No peace officer is allowed to escort scabs in strike areas, but may be called upon to maintain peace and order.

SOCIALIZED HOUSING BILL SIGNED

Manila PHILIPPINES DAILY EXPRESS in English 31 May 82 p 18

[Text]

P R E S I D E N T Marcos has signed into law Parliamentary Bill No. 1880 to boost the government's housing program for the low and average income earners.

Now known as Batasang Pambansa Bilg. 220, the new law empowers the Ministry of Human Settlements headed by the First Lady and Human Settlements Minister Imelda Romualdez Marcos to promulgate standards and requirements for socialized and economic housing.

In anticipation of the bill's approval, Deputy Minister Jose Conrado Benitez had instructed the Human Settlements Regulatory Commission to draft the new housing standards. The HSRC came up last week with its third draft of the standards after public hearings in and outside

Metro Manila and dialogues with public agencies and representatives of the real estate industry.

The MHS has been authorized to provide standards and requirements different from those imposed by the national building code, the fire code, the subdivision and condominium buyers' protective decree, and the decree on open spaces in residential subdivisions.

• • •

BP NO. 220, authored by the First Lady, Benitez and more than 120 assemblymen, was approved by the Batasan in its fourth regular session. The new housing standards will relax the stringent provisions of existing

laws in order to lower the cost of constructing housing units and enable low and average income earners to buy their units.

The HSRC-drafted standards provide for three housing models, each with its own separate provisions to suit the pocket of the low and average income earners. The law itself fixes at not more than 30 percent the affordability level of the beneficiaries of the socialized and economic housing program.

Commissioner Ernesto C. Mendiola, HSRC chief executive

officer, said the draft technical requirements revise the minimum provisions for roads, water supply, drainage, waste disposal, power, park and other facilities for the three housing models.

Likewise, the standards have been changed for building the housing units, including those for living spaces, the number of storeys, exits, corridors and balconies, common stairways, bays, porches, fire-extinguishing systems, smoke-proof enclosures, passageways, party walls and parking requirements.

COPPER FABRICATION PROJECT THREATENED

Manila PHILIPPINES DAILY EXPRESS in English 1 Jun 82 p 16

[Article by Resty Perez]

[Text]

THE viability of the country's \$200-million copper fabrication project may be eroded because Singapore has reportedly merged on its pledge to buy on a regular basis the project's copper products.

Singapore is also reportedly begging off from its commitment to buy the products of Thailand's soda ash project.

The Philippines and Thailand are undertaking the copper fabrication and the soda ash plants as their contributions to the Association of Southeast Asian Nations' industrial projects (AIP) program.

Informed sources said the Philippines and Thailand are expected to oppose Singapore's moves. That country is one of the potential buyers of soda ash and fabricated copper.

WHAT courses of action the Philippines will take was not disclosed but the sources said that Thailand has denied Singapore's request to be freed from its commitment.

Thailand, the sources added, claimed that Singapore "did not make any reservation" when it signed the supplementary agreement to buy

regularly from Thailand a specific percentage of the total soda ash output.

The sources said that the issue was taken up during the 13th meeting of the ASEAN economic ministers (AEM) held here late last month.

The meeting failed to settle the matter because Singapore and Thailand firmly stood their grounds, the sources added.

SINGAPORE, the sources said, should buy the products of the AIPs in line with a previous ASEAN agreement "to ensure the success of the industrialization program."

Under this agreement, an ASEAN country sells to another member at prices "comparable to the prevailing world market prices...taking into account" the lower tariff duties imposed on intra-ASEAN trade transactions.

Singapore, the sources said, has also opposed the pricing mechanism because it will have to pay the "world market price" for the AIP products despite the application of lower tariff duties.

Instead, Singapore wants the "price to be equal to the landed cost of the AIP goods plus the lower tariff duties.

SQUATTERS MUST BE DISCOURAGED

Manila BULLETIN TODAY in English 30 May 82 p 6

[Editorial: "Squatters"]

[Text]

THE government may well be proud of its record in providing decent housing to slum dwellers and squatters in Metro Manila and relocating thousands of others to newly established housing projects in outlying municipalities.

It has been a determined effort in recent years and Metro Manila can be proud of it because not many big cities in the Third World have given as high a priority to the squatter problem.

Squatting is almost synonymous to uneven economic development. As more industries are opened in the large cities people from the undeveloped countryside flock

to them in search of employment and a better life. If the surge to the cities is great it cannot be stemmed, except in the case where the regime is totalitarian and people cannot move around or change residences without government permission.

Since the early years of the last decade at least the government policy is to disperse industries to minimize the unevenness of growth between Metro Manila and the provinces. That policy has signs of succeeding. A corollary policy is to prohibit new industries from locating themselves within Metro Manila.

Partly because of the dispersal policy and the regional development programs the migration flow has been neutralized, but still there are many squatters in Metro Manila. A late count placed the number at more than 300,000 families. They have to be resettled.

Metro Manila authorities are probably right in thinking of setting up action groups within each barangay all over Metro Manila to guard against new squatters on government and private property.

That has to be done because if would-be squatters think that squatting will pay off in terms of government-financed housing a lot of people will be tempted to come in and squat.

That parasitic attitude should be discouraged.

JAPANESE LOAN FOR TRANSMISSION PROJECT

Manila BULLETIN TODAY in English 30 May 82 p 18

[Text]

More than half of the \$208.9 billion 10th yen loan package extended by the Japanese government the other day to the Philippines will be used to finance an extra high-voltage transmission project of the National Power Corporation.

The project was allocated \$135.5 million under the new package and was accorded "highest priority."

The transmission lines will tap geothermal power sources from Tiwi and Manito, Albay as well as from Tongonan, Leyte into the Luzon grid.

About 65 per cent of the loan package has been set aside for the transmission project whose first stage involves the construction of about 245 kilometers of 500-KV transmission lines between Kalayaan in Laguna and Naga city in Camarines Sur.

Like the Japanese bilateral loans in the past, the 10th yen credit was being extended by the Overseas Economic Cooperation Fund. It has easy repayment terms of three per cent annual interest rate per annum and payable within the period of 30 years with a grace period of 10 years.

The loan brings to \$1.258 billion the total assistance extended by Japan through OECF to the Philippines since 1969.

Other projects included in the package are the following:

1. Agro-industry technology transfer project which was allocated \$20.9 million. This involves tapping technology in agro-industry, promotion of investments in non-traditional agro-industrial products with export potentials.

2. Metro Manila traffic engineering and

management project with \$16.1 million.

3. Fishing ports development project with \$15.2 million. This involves the construction of the refrigeration systems for three fishing ports in Zamboanga, Lucena, and Camaligan and engineering services for five fishing ports in Cádiz, Cebu, Tacloban, Cagayan de Oro, and Davao.

4. Flood forecasting and warning system for dam operation project which was appropriated \$15 million for the Angat, Pantabangan, Magat, and Binga-Ambuklao dams.

5. Rural power development project (\$2.8 million) engineering services for 15 mini-hydro power plants in Bicol, and all den-drothermal plants in Bicol, Cagayan and Iloilo.

6. PNR main line north rehabilitation project (\$2.0 million) and

7. Lower Agusan development project (engineering services)—\$1.4 million.

INDUSTRIAL PROJECTS APPROVED

Manila BULLETIN TODAY in English 1 Jun 82 pp 1, 11

[Article by Jose de Vera]

[Text]

President Marcos said yesterday that the government will pursue vigorously its 11 major industrial projects, except the proposed petrochemical complex which is under review.

Malacañang restated this policy in accordance with the goal set by the administration of a balanced agro-industrial economy.

It also clarified earlier reports which said all the 11 projects are under review.

According to the clarification, only the petrochemical complex is being restudied because of the high cost of fuel and of the principal raw material, petroleum, as well as the fact that other partners of the Philippines in Asean are also embarking on similar projects.

The President had discussed implementation of these projects during his inaugural nationwide monthly radio chat two weeks ago. He is expected to discuss it further in his next radio talk sometime this month.

The major industrial projects aside from the petrochemical complex are a copper smelter, a phosphatic fertilizer plant, cement industry expansion, a diesel engine plant, a heavy engineering plant, an integrated steel mill, coconut industry rationalization, an aluminum smelter, an integrated pulp and paper plant, and alcogas production.

The review of the proposed petrochemical complex includes determination of the participating partner which will supply the raw material, and deciding whether to have the complex set up in this country or in the country of origin of the raw material.

Opening of all the projects for implementation will be in accordance with the schedule established by the government and with the investments coming in, Malacañang said.

The President cited the statement of World

Bank President A.W. Clausen before the international monetary conference in Vancouver, Canada, last week that the Philippines is among a group of 20 newly industrializing countries which have doubled their shares in global output from 1960 to 1980.

This momentum in Philippine growth, the President pointed out, may be lost if the government, in the face of advances in agricultural production, lags in promoting industrial development.

Minister of Trade and Industry Roberto Ongpin submitted a position paper earlier this year saying that the major industrial projects had the ability to generate their own financing.

In the paper, Ongpin pointed out that with the total project cost of \$4 billion, including the petrochemical complex, the total funding requirements from budgetary resources

will only be 12.5 per cent or \$500 million over five years.

The report also noted the success in attracting foreign investors, with offers of outside capital in seven out of the 11 projects coming from some of the largest multi-nationals in the world.

Of these seven offers, three have been actually concluded, Ongpin said.

Even the World Bank with its conservative investment policies, Ongpin said, has invested in the copper smelter and is evaluating another project.

OIL OUTPUT TO BE BOOSTED

Manila BULLETIN TODAY in English 1 Jun 82 p 20

[Text]

More oil will flow in mid-July from three commercial offshore oil discoveries in the Palawan shelf with the production of five wells at 14,000 barrels of oil per day, rising to a possible 28,000 BOPD, said Jose de Venecia, Landoil president.

The crude from the Matinloc/Pandan/Librc fields is of high quality of 44 degrees API with almost no sulphur content, and should command a price of \$36 per barrel, he said.

Construction of three new oil production platforms will be completed this month and should result in tripling Landoil's petroleum revenues by 1982 and an increase by 600 per cent in 1983 to \$76 million, he said.

For the development of the Matinloc oilfield complex, Landoil planned its first "limited recourse" oil project

financing.

Three wells in Matinloc will be financed using the oil in the ground as collateral. If the oil disappears the financiers have no claim against Landoil/Basic, de Venecia explained.

Landoil has appointed Morgan Grenfell Energy Services Ltd. of London, leading financial consultant in the field of energy, to serve as its adviser for its "limited recourse" oil project financing.

Gaffney Cline and Associates (USA), international energy advisers, are to provide technical services on reservoir evaluation as the basis for the financing feasibility.

Freshfields, the London-based law firm, is assisting Landoil on the legal aspects in conjunction with its Philippine legal

advisers.

After the preparations are done on the second quarter of 1982, Landoil intends to approach a selected group of lending banks, and Morgan Grenfell will advise it in its negotiations with the lenders.

In the Palawan shelf (service contract No. 14), Landoil and Basic Petroleum achieved a 100 per cent oil strike ratio (3 out of 3); and an overall strike ratio of 75 per cent in 1981, exceeding its 1980 success of 60 per cent.

Drilling of Linapacan, the first exploration well in 1982, will resume June 21 or 23. It was temporarily plugged due to adverse borehole conditions at 1,818 feet depth, de Venecia said.

Linapacan has 300 to 500 million barrels of oil in reserve, he said.

He said drilling of Galoc will start early next year. "If there is an oil strike, we will begin to develop the oil field. We will spend \$1 billion for a 1,000-deepwater well," he said.

The Galoc-1 and South Galoc-1 wells found in sandstone reservoir has more oil-bearing capacity than those found in the limestone reefs of the Nido fields, he said.

North Galoc is the consortium's deepest test well in the west Palawan shelf contract area, the most expensive exploratory well and sited in the deepest water depth.

NPA CLASS WITH CONSTABULARY

Manila PHILIPPINES DAILY EXPRESS in English 20 May 82 p 6

[Text]

SIX DISSIDENTS were killed and several others captured in separate encounters Tuesday with government troopers in Quezon, Nueva Vizcaya, Davao del Sur and Negros Occidental.

A PC report said three New People's Army members were killed in a clash between soldiers of the 232nd PC Company and a seven-man NPA band in barangay Atulayan, Calauag, Quezon. The slain dissidents were identified as "Ka Danilo," "Ka Carino" and "Ka Somer."

IN NUEVA Vizcaya, two NPA men were killed in an encounter with government troopers in barangay Nagalisan, Bagabag.

In Davao del Sur, an NPA commander, identified only as "Jumper," was killed in a clash between an NPA group, led by an amazon commander, and PC soldiers in Barangay Aplaya, Digos. (PNA)

CSO: 6133/0005

NPA ACTIVITIES IN SAMAR

Manila PHILIPPINES DAILY EXPRESS in English 14 May 82 p 1

[Text]

TWENTY-THREE persons, including a town mayor, were killed and eight others wounded in three violent incidents involving terrorists Wednesday in the South, the military said yesterday.

The mayor of Sta. Rita, Western Samar, Pedro Hilvano, three town policemen - Patrolmen Antonio Raya, Federico Biduya and Fortunato Lacambra Jr. - and three other persons were killed when their jeep was fired upon by armed men, believed to be New People's Army members, in the outskirts of the town.

Three other persons, including a police station commander, were seriously wounded in the ambush, which occurred along Daang Maharlika, some six kilometers from the town proper of Sta. Rita.

The mayor's group was on its way home after attending a CHDF graduation ceremony in Catbalogan, Samar.

IN LANAo del Sur, 11 terrorists and a security guard were killed in a gunbattle with government troopers and guards of Valderrama security force in Imodaran, Taguluan II.

Two army troopers and three guards were wounded.

The guards and members of the second brigade of the army third division were patrolling the area when they were attacked by 20 heavily-armed men.

In Davao del Sur, a joint PC-police team encountered terrorists at sitio Mateo, barangay Tacub, Kidlawan. The firefight lasted five minutes, resulting in the killing of four terrorists.

The government team had no casualties.

Killed were Gregorio Tinay, reportedly an MNLF commander, and three unidentified men.

IN ZAMBOANGA City, military and police authorities found Wednesday two homemade bombs in one of the rooms of a downtown hotel. The bombs were set to explode at 4 p.m. and 4:30 p.m. Wednesday.

The bombs were similar to those that exploded Monday in downtown Zamboanga.

Police said the bombs were contained in a shoe box left by unidentified men in one of the rooms of Bel Air Hotel. The box also contained three live grenades.

MISUARI'S EARLY DOWNFALL SEEN

Manila PHILIPPINES DAILY EXPRESS in English 17 May 82 pp 1, 8

[Text]

A ranking official of the Muslim Assembly of the Philippines (MAP) has predicted that Nur Misuari's chairmanship in the Moro National Liberation Front (MNLF) will come to an end before the end of May.

Datu Samad Hassan Ali, MAP secretary general, expected the downfall to occur at the scheduled MNLF congress. He said it would prove the validity of President Marcos' recent statement that Misuari's end as MNLF chairman would result from his secessionist policy.

Ali disclosed that the congress is being convened to elect the members of a new central committee who in turn will elect a new chairman to replace Misuari.

According to Ali, it was held likely that Commander Dimas Pundato, whose vice-chairmanship of the MNLF central committee had been terminated by Misuari, would be elected MNLF chairman.

Ali added that Pundato

would also be a logical choice to concurrently administer the military affairs of the MNLF, while lawyer Macapanton Abbas, secretary general of the Bangsa Moro Liberation Organization (BMLO), would be a sure bet to lead the front's political affairs.

This would be "advantageous to the government, because Pundato and Abbas are not for secession, but for a meaningful Moro autonomy with the Tripoli agreement as the basis," Ali pointed out.

"They are therefore amenable to a renegotiation with the representatives of the Philippine government on the implementation of the Tripoli agreement signed on Dec. 23, 1976, in Libya, between the MNLF and the Republic of the Philippines," he added.

The Muslim masses, Ali said, would welcome a change in the

MNLF leadership. Muslims are praying that renewed talks between the MNLF and the government representatives would bring about a final solution to the conflict in the south," he said.

Ali recalled that Misuari had refused to unite with other Muslim forces in accordance with the Kuala Lumpur Resolution No. 18 of the Organisation of Islamic Conference (OIC).

As a result, Pundato, MNLF director Farook Hassan, and provincial chairman Harry Minraf of the Moro congress for South Cotabato formed a reformist bloc and presented a position paper calling for reforms in the MNLF.

This position paper prompted the termination of the positions of the three in the MNLF central committee, it was said.

TERRORIST BAND THREATENS CEBU TOWN

Cebu City VISAYAN HERALD in English 22/23 May 82 pp 1, 2

[Text] Law enforcement authorities in the western Cebu town of Balamban have been placed under red alert as a possible escalation of violence and terrorist activities by armed bands roving in the municipality's mountain barangays is feared to break out anew.

This was learned yesterday from Balamban Mayor Socrates Gonzales in an exclusive interview with the VISAYAN HERALD.

Gonzales said there is mounting fear in the town that this armed band, which he considers as a group of extortionists, might step up their activities following the capture of the group's number three man.

According to Gonzalez, there are actually two groups of armed men believed to be operating in the mountains of Balamban, Asturias, Danao and Cebu City.

One group, which has been responsible for the rash of violence including a number of slayings already confirmed by the military deployed in the area, is believed to be a band of extortionists and other lawless elements of similar persuasion, Gonzalez said.

Gonzalez said the other group could very possibly be a small band of NPA's

The mayor said they were able to make the distinction by the manner in which these two groups operate.

The extortionists, mostly carrying World War II-vintage firearms, succeeded in instilling fear by issuing threats which could only be appeased by doling out small cash and other items including farm animals.

The suspected NPA's on the other hand are lying low, and have stayed that way since some five years ago when their presence was first felt, Gonzalez said

Gonzalez also pointed to a factor which he said he fears could worsen the situation and this is the Lusaran Dam Project

Gonzalez is apprehensive that either of the two groups might lash in on the Lusaran situation wherein residents in the dam's projected catchment area are facing dislocation

In placing the entire police force of the town under red alert, Gonzalez said he hopes to secure vital sections of the town from possibly becoming targets of the terrorist activities.

At present, the rash of violence has been successfully contained to just three mountain barangays in the town namely Kabagdalan, Liki and Ginatilan, Gonzalez said

The mayor likewise belied initial reports reaching the HERALD that a curfew had been imposed.

Gonzalez however affirmed that checkpoints have been established to beef up security measures in addition to the full alert status

CSO: 6133/0011

TWO NPA COMMANDERS KILLED

Manila BULLETIN TODAY in English 25 May 82 p 28

[Text]

ROSARIO, Batangas, May 24—Two New People's Army commanders were killed and three others were captured during an encounter with a joint 11-commando team of Civilian Home Defense Forces, Philippine Constabulary, Integrated National Police, Philippine Air Force from Lipa city, in barangay Macalamcam B. Rosario, Batangas last Saturday night.

Lt. David M. Quimio Jr., 213th PC commanding officer in his report to Col. Soliman G. Mendoza, Batangas provincial commander, said that the commando team headed by Ignacio Tumbaga while on a routine patrol in said barrio, intercepted six armed men believed to be New People's Army. When asked by the commando leader to identify themselves, the armed men group started firing. The gunbattle lasted for 20 minutes. Major Conrado Honrade, Rosario station commander, identified those killed as Commander Lim and Commander Magdaleno Resma of barangay Janao-Janao, San Juan, Batangas. The three captured were still unidentified and a certain Ka Edgar escaped through darkness.

Recovered from them were two caliber 45 with several live ammunitions, three home-made paltik caliber 22, and subversives documents. (Fred C. Torres)

CSO: 6133/0011

SOVIET ARMS FOR TERRORISTS REPORTED

Manila PHILIPPINES DAILY EXPRESS in English 27 May 82 pp 1, 6

[Text]

A LEATHER dealer has told investigators he helped smuggle up to 15 crates of Soviet firearms from the Middle East to local rebels, according to military documents made public yesterday.

The documents said Jaime Bernal, 49, told authorities he arranged the shipment of the weapons from Aden in South Yemen to Yokohama, Japan, last year and that the arms were thrown onto waiting guerilla fishing boats before the ship entered Philippine waters.

To prevent detection, the weapons were hidden among a cargo of rawhide and raw pickled sheepskin, Bernal said, according to the documents.

Bernal is now in government custody.

GOVERNMENT LAWYERS released the documents to reporters during a Supreme Court hearing of a habeas corpus petition filed by four political prisoners questioning the legality of their detention.

The four were Fr. Edicio de la Torre, 38; former woman disc jockey Lucia Pagador, 28; freelance artist Gilbert Torres, 25, and former youth activist Christopher Sorio, 23.

They were among nine persons — including Bernal — arrested last month for alleged subversion. The military has accused them of being members of the National Democratic

Front, an underground group allegedly linked with the outlawed Communist Party, but has not filed formal charges against them.

One of those arrested was alleged NDF leader Horacio Morales, 38, who was executive vice president of the state-run Development Academy of the Philippines until he went underground in 1977.

...

THE DOCUMENTS said Bernal, in his sworn statement, said Morales offered to finance his rawhide purchases from the Middle East if he would help smuggle firearms and ammunition using his rawhide shipment as cover—and Bernal agreed.

With another man, Bernal travelled to Aden where the firearms, consisting of Kalashnikov AK47 and Makarov pistols in 10 to 15 boxes—each the size of a foot locker—were loaded in a container van, the documents said.

After returning to the country on a separate flight last October, Bernal said he was told on arrival the arms contraband had also arrived, according to the documents.

Bernal said that for a time he thought of confessing to the military but he feared for the life of his family.

...

THE MILITARY documents,

which government lawyers submitted to the Supreme Court, also included accounts of and statements by Morales admitting to investigators his meetings with communist guerilla leaders.

The documents said Morales revealed to authorities the locations of underground houses in Manila maintained by rebels where they allegedly held secret meetings and teach-ins.

The documents said papers seized later from these houses mention the existence of 32 communist guerilla fronts in 52 provinces and include a list of 100 names of communist rebel contacts among Filipino clergymen.

During the hearing, defense lawyer and former Sen. Jose W. Diokno denounced the arrest of De la Torre and the three other detainees as illegal because they were not backed by any court warrants. He accused the military of torturing two of his clients.

Government lawyers said the arrest orders were issued by President Marcos himself invoking his emergency powers.

CSO: 6133/0011

TIGHTENED SECURITY NEEDED AT AIRPORTS

Manila PHILIPPINES DAILY EXPRESS in English 28 May 82 p 4

[Editorial: "Proper Orientation in Security Work"]

[Text]

THE PLAN OF Aviation Security Command officials to conduct another training program in anti-hijacking for its security men underscores the need to tighten up on security in the country's airports.

The move is obviously an offshoot of last week's hijacking of a domestic plane by a man armed with a fragmentation grenade. The hijacker was able to board the plane without the grenade being detected.

The coming days will surely see increased vigilance and alertness on the part of our airport security personnel. Understandably, they would want to prove that they are not sleeping on the job. What the public would like to see, however, is a more sustained, consistent effort on their part in carrying out their duties.

Perhaps, the problem of laxity really boils down to a question of attitude. Are our security personnel truly security-conscious? Or do they carry out their tasks mechanically without the proper sense of motivation?

The training program should address itself to these questions if it is to achieve lasting, positive effects. Procedures and measures are merely courses of action which, if not supported by the proper orientation, can only defeat their purposes.

Airport security personnel need to appreciate the significance of their work, and the great responsibility that goes with the protection of human lives. Maybe then, they will also learn to behave less like intimidating ogres, and more like the public's friends and protectors.

Avsecom officials, in explaining the deficiencies of the existing security system, have pointed to the absence of sophisticated security aids such as X-ray scanners in many of our airports. Purchase of these equipment will reportedly cost taxpayers several millions of pesos.

While we probably have to do some purchasing, we should perhaps inventory what we already have. It has been reported that

60 percent of existing metal detectors are in-serviceable. This does not speak well of the maintenance efforts of the people concerned. Buying new equipment all the time is not only costly but also impractical. With proper handling and maintenance, wastage may be prevented, or at least, minimized.

In the final analysis, the use of sophisticated and expensive security devices only makes security work easier. They can never substitute for genuine security-consciousness, and this is what we hope the Avsecom training program will succeed in imparting.

CSO: 6133/0011

NPA SABOTEURS BURN ZAMBOANGA MILL

Manila PHILIPPINES DAILY EXPRESS in English 23 May 82 p 1

[Article by Vic Pena]

[Text]

ZAMBOANGA CITY, May 22 - A sabotage group of the New People's Army set on fire today the main logging camp of the El Salvador Logging Company in Libi, Upper Bayog in Zamboanga del Sur and destroyed property valued at P12 million, army authorities said today.

Col. Madrino Muñoz, acting commander of the 4th Army Division, said the NPA band numbering about 30, and headed by one Commander Fernandez, stormed the logging camp while 20 laborers were arriving for work.

The laborers were herded into a deserted spot of the camp and hogtied, after which the raiders poured gasoline and burned the heavy equipment pool, Muñoz said.

Last month, Elias Nepomuceno, manager of the El Salvador, narrowly escaped death in an ambush near the logging camp after the dissident's

demands of P50,000 a month protection money was turned down by the company.

MEANWHILE, six suspects in the series of bomb explosions in this city's commercial district last May 10 were charged yesterday with murder and serious physical injuries.

Assistant City Fiscal Manuel Tatel identified those charged as Lucas Carao, Ahmad Paslangan, Abdullah Mudjalla, Muhamuddin Asmad, and two John Does.

Tatel recommended no bail for the temporary liberty of the accused who were allegedly behind the seven bomb blasts which killed four persons and injured 73 others.

The suspects are reportedly members of the Ocza group of the Moro National Liberation Front which conducts urban terrorism in Southern Philippines. - Vic Pena

CSO: 6133/0008

NPA KILL INTELLIGENCE OFFICER

Manila PHILIPPINES DAILY EXPRESS in English 23 May 82 p 3

[Article by C. de la Torre]

[Text]

PILAR, Bataan, May 22 - A regional director of National Intelligence and Security Agency was shot dead at 5 p.m. today here by two men suspected to be members of the New People's Army.

Region 3 Director Maximo Inlong was playing mahjong in a friend's house in barangay Wawa when the attackers shot him at close range. The victim sustained 10 bullet wounds.

Police said the suspects continued firing at the NISA official even while he was slumped to the ground. The suspects fled on a tricycle to nearby barangay Wawa Orion. - C. de la Torre

CSO: 6133/0008

NPA REBELS CAPTURED

Manila BULLETIN TODAY in English 24 May 82 pp 1, 8

[Text]

CAMP DANGWA, Benguet (PNA) — Sixteen suspected members of the New People's Army (NPA) were captured Friday in a military operation in Hungduan, Ifugao, the Constabulary here said.

Lt. Col. Rogelio C. Aguana, Benguet PC provincial commander, said the operation was part of a month-long intensive campaign to secure the borders of Benguet with Mt. Province and Ifugao from dissidents.

He said the suspects, whose names were withheld, were flown Saturday by a military helicopter from Hungduan to Camp Dangwa here for further interrogation.

Aguana said the terrorists were pinned down by

attacking soldiers.

"The military operation is still going on. We will only cease when the border areas have been well-secured from the terrorists," he said.

Aguana, however, believes that the captured suspected NPA members might only be sympathizers.

Aguana also denied earlier reports that Camp Molintas was attacked by terrorists. But he confirmed that a military helicopter of Camp Dangwa was fired upon.

Residents of Buguias perhaps thought that the two companies of soldiers who arrived at Camp Molintas were attracted by an attack, he said.

CSO: 6133/0008

MNLF AMBUSH IN DAVAO

Manila BULLETIN TODAY in English 30 May 82 p 1

[Text]

DAVAO CITY, May 29 — Four persons were killed and three others were wounded in an ambush in barangay Biyao, Calinan, here the other night.

The victims were identified as Braulio Tomacao, Elias Adolfo, Domingo Amon, and Cerilo Palmero. They were pronounced dead on arrival at the hospital. The wounded were Guillermo Repemonte, 33, Crisostomo Cañete, and Efren Bernal.

The victims were on the way home from a party when they were ambushed by unidentified men.

Military sources said barangay Biyao is one place where the presence of dissidents is often reported.

Meanwhile, 34 members of the Moro National

Liberation Front (MNLF), including four commanders, surrendered to Constabulary authorities in Sultan Kudarat last Thursday.

Sultan Kudarat provincial commander Genero Rosales identified the leader of the MNLF group as Abdullah Taja alias Alex Paren.

The group is the latest batch of MNLF rebels to rejoin the government this year. Last January, 60 MNLF rebels surrendered in Sultan Kudarat.

The rebel returnees yielded 31 high caliber firearms.

In Digos, Davao del Sur, lawmen arrested yesterday a suspected NPA hit man reportedly responsible for the killing of at least four persons in the province. (RCC)

CSO: 6133/13

BRIEFS

MUNITIONS FOR TERRORISTS--An attempt to smuggle rifle grenades to terrorists in the South was foiled over the weekend by government agents at the North Harbor. The coast guard found 17 rifle grenades and five 40 MM grenades for M-79 grenade launchers during a routine inspection on M/V Carolyn II, an inter-island vessels bound for Cotabato City. The cargo was seized. The coast guard reported yesterday to Gen. Fabian C. Ver, armed forces chief of staff, the grenades in a box. No arrest, however, was made as nobody claimed ownership of the cargo. Authorities surmised that terrorists identified with the Moro National Liberation Front were behind the smuggling. Military authorities have tightened their watch on ships docking in Mindanao ports amid reports of renewed smuggling activities by terrorists for their urban operation. Terrorists recently mounted a series of bombings in commercial district of Zamboanga City, killing four persons. Investigation showed the bombings were perpetrated by numbers of the OCZA group of the MNLF which specializes in urban terrorism. Six suspects were arrested and charged in the bombing incidents. Army paratroopers, meanwhile, killed two rebels in an encounter with terrorists in the outskirts of Ulandang, Kalayaan, in Maguindanao. No casualty was reported on the government side. Troopers found at the scene garand rifles and magazines for M-16 rifles. [Text] [Manila PHILIPPINES DAILY EXPRESS in English 25 May 82 pp 1, 6]

CSO: 6133/0011

INFANT MILK FOOD TO BE PRODUCED

Colombo DAILY NEWS in English 27 May 82 p 6

[Text]

Food Specialties Ceylon Ltd., (FSCCL) a subsidiary of Nestle, Switzerland is pioneering a scheme for the production of milk powder infant formulae, milk cereals and malted milk to meet the bulk of the island's needs using local milk totally within the next few years.

Work on the new factory has already begun at Pannala, in the Kurunegala district. The total project will cost Rs. 430 million when two phases of development are completed by end 1983.

This project is part of the continuing effort to improve milk production and distribution taken by the Ministry of Rural Industrial Development.

International Dairy Products Ltd. (IDPL) - a collaboration between

the Milk Board and Nestle has already improved production at the Milk Board's Condensary at Polonnaruwa. The Polonnaruwa Condensary is now producing condensed milk under the famous Nestle International brand name, 'Milkmaid', which is likely to be exported soon from Sri Lanka.

FSCCL was brought into the scene for improved milk supply through the interest shown in the subject by President Jayewardene, who personally conducted discussions with representatives of Nestle together with Minister S. Thondaman.

FSCCL will soon call for public share subscription for the new project at Pannala, and significantly give first preference in the issue of shares to

farmers involved in milk production in the Anuradhapura Puttalam - Kurunegala region, the new Milk Production District and second preference to employees of the Company. Nestle will underwrite the entire share issue for security.

In collaboration with the appropriate government and district authorities, the Company is spending nearly Rs. 6 million per year on Dairy Development for the next 10 years. Initially, the Company plans to obtain the milk requirements for its new project from 40 000 farmers in the new milk producing district.

The Company will offer security to producers and motivate producers to maintain high standards by means of economic

prices, assistance in improving stock, education in livestock farming and veterinary care for animals.

The picture of Mr. Thondaman Minister of Rural Industrial Development opening the Food Specialties Ceylon Ltd. Factory appeared yesterday.

GOVERNMENT URGED TO GUARD AGAINST TERRORISM

Colombo DAILY NEWS in English 26 May 82 p 4

[Editorial: "Early Warning"]

[Text]

When insurgents tore through the nation's security network, a little over ten years ago, they had all the advantages of a surprise attack.

Their tactics were well organised. Often they bore the signs of professional planning.

Three factors primarily saved the day for Sri Lanka. In the first place, the vast majority of our people were opposed to any innocent massacre of the young or the old in the name of political evangelism or other abstruse blood-letting ideology.

In the second, such war veterans and other reservists as the Government was able to enlist proved their worth. They showed at Wellawatte bridge and elsewhere that old soldiers do not die easily.

Lastly, perhaps, the JVP, historians might have commented, what from their point of view was a grave strategic blunder when they tried to apply, in Sri Lanka, Mao's theory that if you capture the villages, the towns will fall. In Sri Lanka, particularly Colombo and the towns were too well contained for any rabble-style siege.

Other elements, like Police courage, Indian assistance and the introduction of additional fire-power were to help — outmatching the insurgents.

But their attempt to capture power today lingers on as a gruesome memory.

Brutal killings, arson, rape, militant poster campaigns and apprehensiveness over foreign intervention, were all part of torments that the people then suffered.

Meanwhile, elements of the Government of the day went on the air, trying at first to insinuate that the JVP were the running-dogs of the UNP. In point of fact, later investigations were to establish other connections. Strangely, to say no more, certain politicians of the time characterised as mischievous, the press clamour for a follow-up of investigations to the very roots, the very source of the rebellion — no matter where it led.

Why, a last-moment attempt at a cover-up?

Today, Police sources have signalled an early warning. On the last occasion, Police intelligence on the matter was ignored. At all events a carefully-documented report never saw the light of day until the carnage was well on its way.

The JVP's leader has, today, denied that his party is engaging in anything beyond legitimate political activity.

Perhaps the door-to-door collections being made rightly or wrongly in the name of the JVP, perhaps the very knowledge that there are foreign powers willing enough to fish in troubled waters, has proved a disquieting feature of our times.

At all events, any group in the world — intent on launching an attack on the rulers of a country — are not likely to make an open confession of their plans. Not even a common murderer does.

Two responsibilities now rest with the present Government: to draw its lessons from history: to mount some guard in time and, equally, to clear and maintain some watch over its own ranks.

CSO: 6133/13

SLFP SAID TO PLAN VIOLENCE

Colombo DAILY NEWS in English 21 May 82 p 1

[Text] A police investigation into allegations that the SLFP was organising public protests against Mrs. Bandaranaike's civic rights deprivation has revealed that a separate action committee had been formed of a select group of the SLFP to make the protest a violent one. Deputy Defence Minister T. B. Werapitiya has reported to a parliamentary select committee.

The IGP was directed by government to investigate this matter and his findings have been reported to the select committee now investigating responsibilities of ministers of the previous administration for the continuance of the Emergency between December 1972 and February 1977.

Mr. Werapitiya's report says that the action group which had planned to disrupt the economy had sent special emissaries to various parts of the country to organise violent and disruptive action.

"The members of this 'action group' had been identified", the report has said.

The investigation in 23 electorates had revealed that the 'action' was to take the form of breaching bunds of major irrigation tanks, blowing-up major bridges and culverts, disrupting the electricity supply system and telecommunications, derailing trains, blocking main roads by felling trees across them, destroying water supply schemes, causing damage to government property etc., the report said.

It added that it had also been proposed to bring large masses of people to Colombo on October 15, 1980, and destroy the Parliament building.

Some persons questioned by investigators had admitted giving instructions to commit violence. The offences disclosed were within the Penal Code and certain acts committed were conspiratorial.

"Fortunately there did not appear to be public support for these acts of violence. The scheme failed. Only in a few places was damage caused," the report said.

It said the investigations were continuing.

The Werapitiya report was part of the second special report of the select committee presented by its chairman Prime Minister R. Premadasa. It was tabled in Parliament yesterday by Mr. Vincent Perera, Minister of Parliamentary Affairs.

The electorates where the investigations were made were: Colombo, Kelaniya, Mahara, Gampaha, Attanagalla, Mirigama, Ambalangoda, Galle, Matara, Minipe, Teldeniya, Anamaduwa, Hakmana, Ratgama, Kandy, Senkadagala, Kundasale, Galagedera, Harispattuwa, Patha Dumbura, Hewaheta, Nawalapitiya and Bingiriya.

CSO: 6133/0011

TERRORIST EXTRADITION SOUGHT, APRIL ACTIVITIES EXAMINED

Colombo DAILY NEWS in English 26 May 82 p 1

[Text]

Inspector General of Police Rudra Rajasingham left for New Delhi yesterday morning accompanied by a team of top police officials.

Mr. Rajasingham is expected to make a formal application to the New Delhi authorities to question Prabhakaran and Ragavan, the two alleged terrorists who were arrested in a market square in Madras where they were involved in a shootout and arrested by the Madras Police.

Can They Be Extradited?

Can Prabhakaran and his companion now in remand custody in Madras be extradited?

Authoritative government sources said yesterday that Sri Lanka had no extradition treaty with India but the Indian law permitted such extradition to Commonwealth countries.

Two years ago on the initiative of the Foreign Ministry in Colombo Sri Lanka was listed as one of the countries to which New Delhi could extradite Colombo reciprocated.

It was pointed out that for any extradition to be possible there must be a formal, specific charge before a court. Plaint must be filed.

Colombo, meanwhile is disturbed about a lot of loose talk about extradition which has activated an anti-extradition lobby both in Jaffna as well as in South India.

Was Prabhakaran in Jaffna Last Month?

Was Prabhakaran the terrorist leader now under arrest in Madras, in Jaffna last month?

Authoritative police sources said that a civilian employee of the Jaffna police office had been confronted at the town's bus stand on April 17 by two revolver-toting men who had said: "Very soon we will bump off the new white fellow".

They were talking of the fair-complexioned SP Jaffna, Mr. Richard Wijesekera. They told this police employee to "go and tell them what we have

said" adding that the people of the North had nothing to fear from them.

These remarks were provoked by a police jeep that had passed the bus stand.

Police sources said that the two men who are believed to have made these statements appeared to have been Bala alias Short Bala alias Bala Anna, one of Prabhakaran's associates and Prabhakaran himself.

The police office employee had identified them from photographs on record.

TERRORIST LIKELY TO BE EXTRADITED

Colombo THE ISLAND in English 27 May 82 p 1

[Article by D.B.S. Jeyaraj]

[Text]

Liberation Tiger movement leader Umamaheswaran who was arrested by the Indian Police on Tuesday faces the possibility of extradition according to authoritative sources.

These sources said that Umamaheswaran's extradition was a strong possibility in view of the fact that he had been convicted by a Sri Lankan court of law for a 15 year term of rigorous imprisonment.

These sources added that as far as Prabhakaran and other alleged Sri Lankan terrorists were concerned no concrete proof of guilt had been established in regard to any offence whereas in Umamaheswaran's case it was not so.

Kadiganar Umamaheswaran and Sellappah Nagarasa were sentenced to a term of 15 years rigorous imprisonment by the Colombo High Court Judge, Mr. Tudor de Alwis on May 29 last year.

They were tried in absentia for the attempted murder of the former MP for Pottuvil Mr. M. Canagaretnam at his residence in Colpetty on January 27, 1978.

Umamaheswaran was arrested by the Madras Police on Tuesday when attempting to escape from Tamilnadu to the neighbouring state of Pondicherry. Umamaheswaran is reported to have offered armed resistance when the ensuing battle, two members of the public were wounded.

'The Island' learns that preparations are being made to make an

application to the Indian Court to extradite Umamaheswaran to Sri Lanka.

Although Umamaheswaran is wanted for many other offences here, authorities feel that a plea for extradition for a conviction stands a better chance.

Meanwhile four Tamilnadu lawyers from four different Tamilnadu political parties are to submit a petition entreating the Indian Courts not to allow extradition. They are working in union with the Human Rights Protection Association of Tamilnadu.

Another petition on similar lines has been presented to the Chief Secretary of Tamilnadu state.

CSO: 6133/13

POLICE ALERTED FOR JVP TERRORISM

Colombo DAILY NEWS in English 12 May 82 p 1

[Article by Srimal Abeyewardene]

[Text]

Two senior DIGs on Monday alerted all gazetted officers and officers in charge of police stations in the Colombo metropolitan area to keep close watch for a possible resurgence of JVP activity.

The DIGs Mr. Herbert Weerasinghe who heads the CID and Mr. S. Vamadevan, the intelligence chief at the Defence Ministry, said there was no evidence of any subversive activity by the JVP. But the behaviour of some JVPers necessitated a close watch on their activities both in Colombo and the suburbs.

The Daily News reliably understands that Monday's meeting of senior policemen in the Colombo Metropolitan area was on the basis of intelligence reports compiled by the Intelligence Services Division (ISD) of the police.

Orders went out at this meeting for maximum vigilance over JVP activity, tighter security everywhere and that all policemen should keep their eyes and ears wide open to any possibility of the JVP collecting arms and ammunition.

The ISD has report-

ed that the JVP has infiltrated several vital areas of public and business activity including the Textile Corporation, banks (both state-owned and private) the railway, the National Housing Department trade unions, some government departments, the armed forces and the port.

A senior policeman described Monday's alert as "very serious" and said that all policemen should regard it as such.

The JVP recently alleged that a media campaign had been launched against it.

NEW RECRUITS SWELL NORTH'S TERRORIST RANKS

Colombo THE ISLAND in English 11 May 82 p 1

[Article by D.B.S. Jeyera]

[Text]

Security officers are concerned over the influx of new recruits into terrorist ranks in the North. Recent information has revealed that young'uns recently recruited, have helped to swell the terrorist movement numerically.

A top security official told 'The Island' that investigations have revealed that recruitment had been done according to a set pattern. The official said that tuition masters at some tutories in the peninsula had been functioning as recruiting agents. These masters earmarked students having terrorist potential and enticed them to join the movement. The youth were taken to the jungles of Vavuniya and Mannar and given training.

Commenting on the violence of April 29 the official said that it was because the new recruits were involved that violence had not been on a larger scale.

A security spokesman told 'The Island' that the terrorist movement which had split in two over a personality clash earlier, had

engaged itself in internecine warfare. The bulk of the group headed by Prabhakaran had gone underground in India while a greater part of the group headed by Umamaheswaran had gone into hiding in Sri Lanka itself.

The new recruits mainly belonged to the Umamaheswaran group, the spokesman said.

Security officials told 'The Island' that since the crack down in the recent past, barring a few of the top men, the rest were under detention. However the new phenomenon was the surfacing of new blood in terrorism.

The shooting of Police Constable Maheswaranathan, at Sittankerni, the ambush of naval personnel at Moolai and the widespread acts of violence on the day of the Kotte Parliament opening are all examples of the new recruits' activity, said a security spokesman. Citing the Navy ambush as an example, the spokesman said that the plan which had been well worked out had failed because those executing the plan were new recruits.

CSO: 6133/0008

POLICE ALERTED TO RETURNING TAMIL TERRORISTS

Colombo THE ISLAND in English 23 May 82 p 1

[Article by D.B.S. Jeyaraj]

[Text]

Security forces were alerted yesterday to the possibility of wanted terrorist Umamaheswaran and other members of his group slipping into Sri Lanka from South India. Patrolling along the Northern Coast has been intensified and security forces have been instructed to keep a sharp look-out for the terrorists.

Authoritative sources told 'The Island' that in view of the crack-down on Sri Lankans in Tamilnadu by the Tamilnadu State Police, there were strong chances of Umamaheswaran and other terrorists returning to Sri Lanka.

Another view was that members of Prabhakaran's group in India would be on their trail in quest of revenge. Umamaheswaran's group would flee to India.

The vendetta between Umamaheswaran and Prabhakaran reached its climax at the shoot-out in Mambalam Pondy Bazar resulting in Prabhakaran's arrest.

A Police spokesman told 'The

Island' that Prabhakaran and Umamaheswaran had fallen out after the AVRO bombing incident in 1978. The spokesman said that Prabhakaran who had 'retired' from terrorist operations following the Nervely Bank robbery had returned to the fray merely because of the clash with Umamaheswaran.

Umamaheswaran's group had been responsible for the Nachinai Kovilady, KKS Road, shootings, the Arakkoddai Police station attack and the Kilinochchi Bank robbery in the absence of Prabhakaran.

The spokesman said that after this series of operations, Prabhakaran returned to Jaffna and personally killed Umamaheswaran's lieutenant Sivashanmugamoorthy. A large number of Umamaheswaran's operatives had been taken into custody, too. This had led to Umamaheswaran going to India with a hit squad to eliminate Prabhakaran.

CSO: 6133/0012

TAMIL TERRORIST ARRESTED IN INDIA

Colombo DAILY NEWS in English 22 May 82 p 1

[Article by Srimal Abeyewardene]

[Text]

A top police team will shortly leave for Madras in connection with the arrest there on Wednesday night of Velupillai Prabhakaran, one of the most wanted northern terrorists.

"His arrest is a very significant breakthrough, the best we've had in years," a senior policeman said in Colombo yesterday.

Colombo is in contact with the Madras IGP. Mr. R. Mohandas about Prabhakaran's arrest. Police said that any decision on his repatriation here will depend on what the Indian authorities want to do with him.

The 25-year old son of a District Land Officer in the North has been on the most wanted list for a number of terrorist activities including the Manampillai killing on the Madhu road and the attack on the Annalcothai police station.

Regarded as the chief lieutenant of Uma Maheswaran, the biggest name on the terrorist list, the son

some months ago between the two men led to a gradual disintegration of a previously well-knit terrorist group.

"They started rattling on each other and helped us immensely in rounding up some of the wanted people," police said.

Maheswaran, Prabhakaran and some of the other terrorist leaders have been carrying a total of Rs. 2 million in reward money on their heads.

Rewards of Rs. 300,000 each had been offered for information leading to the arrest of these two desperados alone.

Police claimed that Prabhakaran had a hand

in the killing of policemen in the North.

One of the major drawbacks the authorities here had in cracking the terrorist movement was the ease with which the key men could slip across the Palk Strait and get lost in the swarming cities of South India.

The Wednesday night arrest was made possible by the careless use of unlicensed revolvers in a shoot-out in a busy South Madras bazaar by Prabhakaran and a companion identified as Sivakumar. They had opened fire on two others described as Jothaswaran and Mukundan after an argument.

Jothaswaran has been admitted to a Madras hospital with bullet wounds.

Prabhakaran achieved notoriety in the terrorist movement after the Air Ceylon Avro was blown up at Ratmalana several months ago.

EXTRADITION SOUGHT FOR ARRESTED TAMIL TERRORIST

Colombo THE ISLAND in English 22 May 82 p 1

[Article D.B.S. Jeyaraj]

[Text]

A special police team consisting of three top officials will leave for Madras today in connection with the arrest of the proclaimed terrorist Prabhakaran in Madras on Wednesday night.

The special team will appraise the Indian Authorities of the terrorist crime record of Prabhakaran and his companion Raghavan who was arrested along with him.

The team would solicit the assistance of the Indian authorities to deport Prabhakaran in view of his terrorist activities in Sri Lanka.

A top Police spokesman however said that it was unlikely that the Indian authorities would heed this request as Prabhakaran had broken the Indian Law by attempting to commit murder and in view of the possibility that he may be responsible for crimes committed on Indian soil.

The spokesman however said that every effort would be made to get Prabhakaran deported after possible conviction and punishment in India.

Prabhakaran who had been using the alias "Kartikan" was arrested in South Madras along with Raghavan alias Sivakumar for

allegedly attacking two other Sri Lankans with guns. The attack had taken place in a busy market area in the night. Prabhakaran and Raghavan had opened fire on two youths named Jotheeswaran and Mugunthan. Jotheeswaran has been admitted to a Government Hospital in Madras with bullet injuries.

The two youths who had been in possession of unlicensed firearms are supposed to have revealed to the Indian police during interrogation that they were members of the proscribed Liberation Tigers of Eelam Movement of Sri Lanka and that they were fighting for a Separate State in Sri Lanka.

Sri Lankan Police sources told 'The Island' that the shoot-out in Madras was one more episode in the bitter feud now being fought out between Prabhakaran and Umamaheswaran. Umamaheswaran too had been reported seen in Madras and the other two youth involved in the incident are presumed to be members of his group.

According to Police the Liberation Tigers Movement had split in two following the personality clash over leadership between

Umamaheswaran and Prabhakaran. The two groups had been engaged in mutual fratricide in Sri Lanka and had continued their vendetta in India too.

Prabhakaran and Raghavan were proclaimed as most wanted terrorists by the IGP in the Gazette of 26.2.1982 under the Prevention of Terrorism Act. They were wanted in connection with the 8.1 million rupee Neervely Bank robbery on 25.3.1981 which resulted in two policemen being killed. Prabhakaran was also wanted in connection with the Kurumbasiddi Pawn Shop robbery.

Prabhakaran and his group had gone to India and were reported to have settled down in Salem-Tamilnadu. Police said that Prabhakaran had come to Sri Lanka and shot dead Sivasubramugamoorthy the right hand man of Umamaheswaran at the Chitra Press in Jaffna. This had resulted in Umamaheswaran going to India to wreak vengeance on Prabhakaran. Police said that the bitter feud between the king-pin tigers had culminated in the arrest of Prabhakaran for attempted murder in India.

CSO: 6133/0012

BRIEFS

POLICE ARREST 'TERRORIST'--A youth who had escaped from police custody was arrested by the police with the assistance of the Grama Sevaka and two members of the public at Ariyalai in the Jaffna police area on Wednesday. Police described him as one of the members of the terrorist gang who is believed to have been involved in the Rs. 20,000 mail bag robbery in Kilinochchi in November last year. Mr Richard Wijesekera, SP, Jaffna commended the Grama Sevaka and the two other persons who helped to arrest the youth. This shows the public were co-operating and helping the police. "We have got the best bit of information in the recent past and we are confident of getting more terrorists. [Text] [Colombo DAILY NEWS in English 10 May 82 p 1]

ARMY COMBATS HIGHWAY ROBBERIES--The Security Council which met at Tangalla yesterday decided to deploy the armed services to combat highway robberies in the Tangalla, Hambantota and Tissamaharama area. One of the highway robbers, Kadia, has been taken into custody but there are several others at large. Yesterday's Security Council meeting was presided over by Deputy Minister of Defence Mr T.B. Weerapitya. Several tourists had been held up in these areas. [Text] [Colombo THE ISLAND in English 13 May 82 p 2]

CSO: 6133/0008

RTG ENCOURAGES SEPARATISTS TO DEFECT

Bangkok THE NATION REVIEW in English 17 May 82 p 3

[Text]

PATTANI - The government has embarked on a new policy of welcoming all defectors from separatist movements in a fresh bid to ease the terrorism situation in the trouble-plagued South, a military officer said recently.

Commander of the Civilian-Police-Military Unit 43 (CPM-43) Maj Gen Panya Singsakda said the policy has been adopted in the five southernmost provinces under the jurisdiction of the task force.

He said that defectors from all southern separatist movements would be welcome regardless of their nationalities or ethnic origins.

CPM-43 would allow the defectors to return to their respective villages on the condition that they would have to report to the task force every month, according to Maj Gen Panya.

He added that the combined task force would also provide protection to the

defectors who could be harmed by their former colleagues.

The policy followed the pattern of the Announcement No 66/B.E. 2523 which was designed to fight communist insurgency. The counter-insurgency policy which has political campaigns takes precedence over military tactics, has been hailed as the most effective weapon against communist insurgency.

Meanwhile in Narathiwat, three tourists were on Saturday captured by a number of armed separatists in the vicinity of the Seapo Waterfall here.

The separatists clad in green fatigues reportedly forced Samart Nuangha-noon, one of the captives, to write and bring a letter demanding a ransom of 100,000 baht to the parents of another captive, identified as Somboon Manochief, 14.

The other captive was identified as Sirikul Kuakul.

CSO: 6133/16

NEW SUPPLY ROUTE IN NAKHON PHANOM DISCOVERED

Bangkok THE NATION REVIEW in English 10 May 82 p 6

[Text]

NAKHON RANOM — A newly-cut route through which logistic supplies from Laos have been transported to members of Pak Mai, a pro-Soviet communist party, has been uncovered here, provincial officers reported yesterday.

The new route was discovered in Huan Yai Sub-district, about 81 kms from the provincial seat, on April 24.

A provincial official said that a 200-metre stretch of the route leading to the bank of the Mekong River had been obviously cut by machinery.

He quoted intelligence reports as showing that smuggling of war weapons from Laos through the area have been frequent.

"An intelligence report also says that the logistic supplies transported through the route have also reached the Dong Mu area near the communist-infested mountain of Phupan," he added.

Nakhon Phanom Governor Viroj Ammarat confirmed that the war weapons transported through the route were des-

trained for members of Pak Mai which had been set up following conflicts between the Communist Party of Thailand and Laotian communists.

However, he said that most of the war weapons transported through the "small route" were not high-powered.

Members of the pro-Soviet faction which split from CPT were estimated at about 40-50, according to Viroj.

He said that armed activities by Pak Mai members have not been reported. "They seem to be concen-

trating their work on political campaigns rather than military activities," he added.

Official intelligence reports said that Pali Mai's operating areas include Amphoe Dong Tan, Pla Pak, Renong Nakhon, That Phanom, Nakhon Phanom, Yai, Don Luang of this province and certain areas in nearby Nong Khai Province, particularly Bungkarn District.

Viroj said that Huan Yai Sub-district where the new supply route was uncovered was also infiltrated by pro-Soviet elements.

TEXTILE SECTOR OFFERS PROPOSALS FOR KAMPUCHEA TRADE

Bangkok THE NATION REVIEW in English 12 Apr 82 p 13

[Text]

WHEN senior members of the Thai Textile Manufacturers Association meet with the country's military brass, they will propose two options for free trading of non-strategic goods along the Thai-Kampuchean border.

The first is that all transactions be in foreign currency, gold or precious ornaments to prevent the use of fake bank notes which will undermine the country's monetary system.

The second is that one area among the current four strategic zones be opened for textile trading. The four include Aranyaprathet, Sa Kaeo, Wathana Nakhon and Ta Phraya districts, said association's Vice President Dej Boonlong, during his talks with *The Nation* over the weekend.

"We will ask military authorities to open, if possible, one of these four districts for free trade of non-strategic goods. The military authorities can have full control over the trade in the area," Dej said.

Military forces can maintain their strategy and national security while merchants can engage in transactions under their supervision. "Apart from that, the government can collect more tax from textile manufacturers if our options were approved by the military authorities," he said.

The government at present has to give rebate of 1.44 baht per yard of exported textile products to manufacturers. But the rebate would be waived if free trade was allowed along the border. "It can be categorized as domestic transactions," he said.

Dej asserted that some Eastern European countries are importing Thai textile products for re-export to Singapore and then routed to Kampuchea and Vietnam. But all fabrics exported to Vietnam and Kampuchea were not bought only from Thailand because those countries could get them from any market which offered competitive prices.

"But our products would be competitive if free trade was allowed on the border. We

don't have to pay freight charges. We won't do anything else if the government still considers that free trade should not be allowed," he said.

A joint force comprising police, military and civilian officers allows only 600 metre long for six types of textile products for each shop in the four districts each month. They include suiting, shirting, sarong, see-through fabrics and embroidered materials.

"In retailing, each person cannot buy more than 2.20 metres of suiting and 10 metres of shirting," Dej said total production of textile mills in the country is about 2,000 million yards per year, of which 55 per cent or 1,100 million yards are for domestic demand.

About 25 per cent of the production or about 500 million yards were exported while the remaining 20 per cent or 400 million yards were sent to border towns. "Most of them were sent to four districts of Prachinburi Province, but the quantity was cut to less than 40 million yards," he said.

Asked whether Deputy Prime Minister Maj Gen Pramam Adirekam, former president of the association and president of Thai Textile Co Ltd, had given any assistance to the industry, Dej said the deputy premier just asked him to do whatever appropriate.

"Though he understands very well about the problem facing the textile industry, he cannot do anything because there might be misunderstanding among the public," he said.

Dej expects that the demand for textile products in Europe will be higher this year, but it will be lower in the United States.

The trend of demand on the two continents contradicts to each other. "If the demand in Europe is higher, there will be less in the US," he said.

CSO: 4220/45

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